声通科技
voicecomm

上海聲通信息科技股份有限公司
Shanghai Voicecomm Information Technology Co., Ltd.*

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

Stock Code : 2495

GLOBAL OFFERING

Sole Sponsor, Sole Overall Coordinator, Joint Global Coordinator, Joint Bookrunner and Joint Lead Manager

CICC 中金公司

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers (in alphabetical order)

中信建投國際 CHINA SECURITIES INTERNATIONAL　民銀資本 CMBC CAPITAL HOLDINGS LIMITED　东方证券 DFZQ 國際

Joint Bookrunners and Joint Lead Managers (in alphabetical order)

農銀國際 ABC INTERNATIONAL　建银国际 CCB International　光大證券 EVERBRIGHT SECURITIES 國際 INTERNATIONAL　中國銀河國際 CHINA GALAXY INTERNATIONAL　CMS 招商證券國際　招银国际 CMB INTERNATIONAL

DBS　廣發証券(香港) GF SECURITIES (HONG KONG)　ICBC 工银国际　申萬宏源香港 SHENWAN HONGYUAN　ZTSC 中泰國際

Joint Lead Managers (in alphabetical order)

FOSUN INTL SECURITIES　富途證券　國信證券(香港) GUOSEN SECURITIES (HK)　利弗莫尔证券 LIVERMORE HOLDINGS LIMITED　老虎證券　TradeGo Markets

* For Identification Purpose Only

IMPORTANT: If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

声通科技 voicecomm

Shanghai Voicecomm Information Technology Co., Ltd.*
上海聲通信息科技股份有限公司

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

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	:	4,365,660 H Shares (subject to the Over-allotment Option)
Number of Hong Kong Offer Shares	:	436,580 H Shares (subject to adjustment)
Number of International Offer Shares	:	3,929,080 H Shares (subject to adjustment and the Over-allotment Option)
Offer Price	:	HK$152.10 per H Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value	:	RMB1.00 per H Share
Stock code	:	2495

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利弗莫尔证券 LIVERMORE HOLDINGS LIMITED

老虎證券

TradeGo Markets

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in "Appendix VII – Documents Delivered to the Registrar of Companies and Available on Display", has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price will be HK$152.10 per Offer Share, unless otherwise announced. Applicants for Hong Kong Offer Shares are required to pay, on application, the Offer Price of HK$152.10 for each Hong Kong Offer Share together with a brokerage fee of 1.0%, a SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and a Hong Kong Stock Exchange trading fee of 0.00565%.

The Sole Overall Coordinator, on behalf of the Underwriters, may, with the consent of our Company, reduce the number of Hong Kong Offer Shares and/or the Offer Price below that stated in this prospectus (being HK$152.10 per Offer Share) at any time on or prior to the morning of the last date for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of Hong Kong Offer Shares and/or the Offer Price will be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.voicecomm.cn** as soon as practicable following the decision to make such reduction, but in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, see "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" in this prospectus.

We are incorporated and substantially all of our business and assets are located in the PRC. Potential investors should be aware of the differences in the legal, economic and financial systems between the PRC and Hong Kong, and the fact that there are different risk factors relating to investment in PRC-incorporated companies. Potential investors should also be aware that the regulatory framework in the PRC is different from the regulatory framework in Hong Kong, and should take into consideration the different market nature of the H Shares. Such differences and risk factors are set out in "Risk Factors" and "Regulatory Overview" in this prospectus and in Appendix III, Appendix IV and Appendix V to this prospectus.

Pursuant to the termination provisions contained in the Hong Kong Underwriting Agreement in respect of the Hong Kong Offer Shares, the Sole Sponsor and the Sole Overall Coordinator, on behalf of the Hong Kong Underwriters, have the right in certain circumstances, in their absolute discretion, to terminate the obligation of the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement at any time prior to 8:00 a.m. on the Listing Date. Further details of the terms of the termination provisions are set out in "Underwriting – Underwriting Arrangements and Expenses – The Hong Kong Public Offering – Grounds for Termination" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered, sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Offer Shares may be offered and sold only outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the websites of the Stock Exchange (**www.hkexnews.hk**) and our Company (**www.voicecomm.cn**). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

* *For identification purpose only*

June 28, 2024

IMPORTANT NOTICE TO INVESTORS:
FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This Prospectus is available at the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** under the "***HKEXnews > New Listings > New Listing Information***" section, and our website at **www.voicecomm.cn**. If you require a printed copy of this document, you may download and print from the website addresses above.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online through the **White Form eIPO** service at **www.eipo.com.hk**;

(2) apply electronically through the HKSCC EIPO channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

If you are an **intermediary**, **broker** or **agent**, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses above. Please refer to the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus for further details of the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel service must be for a minimum of 20 Hong Kong Offer Shares and in one of the numbers set out in the table.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

Shanghai Voicecomm Information Technology Co., Ltd.
(HK$ 152.10 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*
20	3,072.67	400	61,453.57	6,000	921,803.57	80,000	12,290,714.28
40	6,145.35	500	76,816.96	7,000	1,075,437.51	90,000	13,827,053.56
60	9,218.04	600	92,180.36	8,000	1,229,071.43	100,000	15,363,392.86
80	12,290.72	700	107,543.75	9,000	1,382,705.35	120,000	18,436,071.42
100	15,363.39	800	122,907.14	10,000	1,536,339.29	140,000	21,508,749.99
120	18,436.07	900	138,270.54	20,000	3,072,678.56	160,000	24,581,428.55
140	21,508.74	1,000	153,633.93	30,000	4,609,017.85	180,000	27,654,107.14
160	24,581.43	2,000	307,267.86	40,000	6,145,357.15	218,280(1)	33,535,213.91
180	27,654.11	3,000	460,901.78	50,000	7,681,696.43		
200	30,726.79	4,000	614,535.71	60,000	9,218,035.71		
300	46,090.18	5,000	768,169.64	70,000	10,754,375.00		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

No application for any other number of the Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement in Hong Kong to be published the websites of the Stock Exchange at **www.hkexnews.hk*** and our Company at ***www.voicecomm.cn***.

Hong Kong Public Offering commences . . . . .9:00 a.m. on Friday, June 28, 2024

Latest time to complete electronic applications under **White Form eIPO** service through the designated website **www.eipo.com.hk**(2) . . . . 11:30 a.m. on Friday, July 5, 2024

Application lists of the Hong Kong Public Offering open(3) . . . . .11:45 a.m. on Friday, July 5, 2024

Latest time for (a) complete payment of **White Form eIPO** applications by effecting Internet banking transfer(s) or PPS payment transfer(s) and (b) give **electronic application instructions** to HKSCC(4) . . . . .12:00 noon on Friday, July 5, 2024

If you are instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you are advised to contact your broker or custodian for the earliest and latest time for giving such instructions which may be different from the latest time as stated above, as this may vary by broker or custodian.

Application lists of the Hong Kong Public Offering close(3) . . . . .12:00 noon on Friday, July 5, 2024

Announcement of an indication of the of level of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.voicecomm.cn** on or before(4) . . . . Tuesday, July 9, 2024

Announcement of results of allocations in the Hong Kong Public Offering (including successful applicants' identification document numbers, where appropriate) to be available through a variety of channels including:

- the announcement to be posted on websites of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.voicecomm.cn**(5) . . . . Tuesday, July 9, 2024

- from the designated results of allocations for the Hong Kong Public Offering will be available at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function . . . . from 11:00 p.m. on Tuesday, July 9, 2024 to 12:00 midnight on Monday, July 15, 2024

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. and 6:00 p.m. from Wednesday, July 10, 2024 to Monday, July 15, 2024 (excluding Saturday, Sunday and public holidays in Hong Kong)

Dispatch of H Share certificates or deposit of Share certificates into CCASS in respect of wholly or partially successful applications pursuant to the Hong Kong Public Offering on or before(5) . . . . .Tuesday, July 9, 2024

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications or wholly or partially unsuccessful applications to be dispatched/collected on or before(6) . . . . .Wednesday, July 10, 2024

Dealings in H Shares on the Stock Exchange to commence at 9:00 a.m. on . . . . Wednesday, July 10, 2024

The application for the Hong Kong Offer Shares will commence on Friday, June 28, 2024 through Friday, July 5, 2024, being longer than normal market practice of three and a half days. The application monies (inclusive of brokerage, SFC transaction levy, Hong Kong Stock Exchange trading fee and AFRC transaction levy) will be held by the receiving banks on behalf of the Company and the refund monies, if any, will be returned to the applicants without interest on Wednesday, July 10, 2024. Investors should be aware that the dealings in the Shares on the Hong Kong Stock Exchange are expected to commence on Wednesday, July 10, 2024.

Notes:

(1) All times and dates refer to Hong Kong local time and date, except as otherwise stated.

(2) You need to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** from 9:00 a.m. on Friday, June 28, 2024 to 11:30 a.m. on Friday, July 5, 2024 for submitting applications. The latest time for completing full payment of application monies will be 12:00 noon on Friday, July 5, 2024.

(3) If there is a typhoon warning signal number 8 or above, Extreme Conditions and/or a "black" rainstorm warning at any time between 9:00 a.m. and 12:00 noon on Friday, July 5, 2024, the application lists will not open on that day. See "How to Apply for Hong Kong Offer Shares – E. Severe Weather Arrangements" in this prospectus.

(4) None of the websites or any of the information contained on the websites forms part of this Prospectus.

(5) H Share certificates will only become valid evidence of title at 8:00 a.m. on the Listing Date, which is expected to be Wednesday, July 10, 2024, **provided that** the Global Offering has become unconditional in all respects at or before that time. Investors who trade H Shares on the basis of publicly available allocation details before the receipt of H share certificates and before they become valid do so entirely of their own risk.

(6) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Individuals must produce evidence of identity acceptable to our H Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through **HKSCC EIPO** channel should refer to the section headed "How to Apply for the Hong Kong Offer Shares – D. Despatch/Collection of H Share Certificates and Refund of Application Monies" in this prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) dispatched to the bank account in the form of e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) dispatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Any uncollected H Share certificates and/or refund cheques will be dispatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications.

Further information is set out in the sections headed "How to Apply for the Hong Kong Offer Shares – D. Despatch/Collection of H Share Certificates and Refund of Application Monies".

The above expected timetable is a summary only. You should read carefully the sections headed "Underwriting", "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" of this Prospectus for details relating to the structure of the Global Offering, procedures on the applications for Hong Kong Offer Shares and the expected timetable, including conditions, effect of bad weather and the dispatch of refund cheques and H Share certificates.

This prospectus is issued by our Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security other than the Hong Kong Offer Shares. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to subscribe for or buy any security or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdiction pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not included in this prospectus must not be relied on by you as having been authorized by us, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers, employees, partners, agents or representatives, or any other party involved in the Global Offering. Information contained on our website ***www.voicecomm.cn*** *does not form part of this prospectus.*

TABLE OF CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. 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 prospectus. You should read the entire prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are an IT solution provider in China. Based upon our technologies, we provide services for enterprise-level users to improve the level of convenience and intelligence for their information exchanges and business interactions. Our solutions are built upon our technologies comprising core conversational AI technologies, unified communication technologies, and other AI and computer technologies. Our unified communication technologies, core conversational AI technologies and product engine technologies address enterprise-level user's demand of "communication", "thinking" and "execution", respectively, thus facilitating a complete enterprise-level conversational AI experience. According to the iResearch Report, we rank the second in the full-stack*(note)* enterprise-level conversational AI solution market in China as measured by revenue in 2023, representing a market share of 3.8%, where the first largest solution provider has a market share of 13.1%. According to the same source and by the same measure, we rank the sixth in the enterprise-level conversational AI solution market in China, representing a market share of 1.3%, and have a market share of 1.2% in the entire conversational AI solution market in China that reached RMB67.8 billion in 2023.

During the Track Record Period, we primarily offered our solutions to four key end-customer industries where we had accumulated rich industry know-how, engineering experiences and customer insights, i.e., city management and administration, automotive and transportation, telecommunications, and finance. Our solution offerings are enabled by Voicecomm Brain, our technology infrastructure, and Voicecomm Suites, our functional modules. Voicecomm Brain is underpinned by our core technologies in both unified communications and AI. On top of our Voicecomm Brain, we have developed a full set of Voicecomm Suites, the modular combination of which allows us to offer different types of solutions. Depending upon specific users' concrete needs, our solutions involve core conversational AI technologies, unified communication technologies and/or other technologies to varying extent, and core conversational AI technologies may not be significant in certain applications. During the Track Record Period, core conversational AI technologies had been

Note: "Full-stack" refers to the characteristics of the enterprise-level conversational AI solutions that distinguish them from non-full-stack enterprise-level conversational AI solutions by virtue of its integration of unified communication and essential AI algorithm capabilities, so as to address a number of pain points experienced by enterprise-level users. In 2023, the full-stack enterprise-level conversational AI solution market takes up 34.0% of the entire enterprise-level conversational AI solution market in China, according to the iResearch Report.

applied in most of our existing projects, and we also elected to offer solutions to customers currently only demanding the realization of unified communications with a goal to further upsell core conversational AI technologies. To the best knowledge of our Directors, our projects that applied core conversational AI technologies contributed to approximately 89%, 89% and 92% of our revenue generated from offering enterprise-level solutions in 2021, 2022 and 2023, respectively.

During the Track Record Period, our research and development expenses amounted to RMB36.3 million, RMB64.0 million and RMB98.8 million in 2021, 2022 and 2023, respectively, among which, technology service fees amounted to RMB20.1 million, RMB29.1 million and RMB46.4 million in 2021, 2022, and 2023, respectively, representing 55.3%, 45.5%, and 47.0% of our research and development expenses in the same years, respectively. Such technology service fees represented outsourcing costs for certain non-core and less sophisticated research and development programs. For details, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Research and Development Expenses" in this prospectus. In addition to such expensed expenditures, we also recorded carrying amount of purchased software, net of accumulated amortization of RMB16.2 million, RMB95.1 million and RMB97.0 million as of December 31, 2021, 2022 and 2023, respectively, primarily in relation to (i) areas that synergize with our technologies to allow speedy offering of solutions catering to enterprise-level users' demands; (ii) management and optimization of multimodal data, which could improve our efficiency for AI algorithm training; and (iii) other technologies that render coordination in specific application scenarios of our solutions. For details, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Intangible Assets" in this prospectus. Also, we collaborate with Baidu regarding the implementation of ERNIE Bot, its chatbot product, into enterprise-level conversational AI application scenarios. For details, see "Business – Our Technologies – Conversational AI Technologies – Technological Collaboration" in this prospectus.

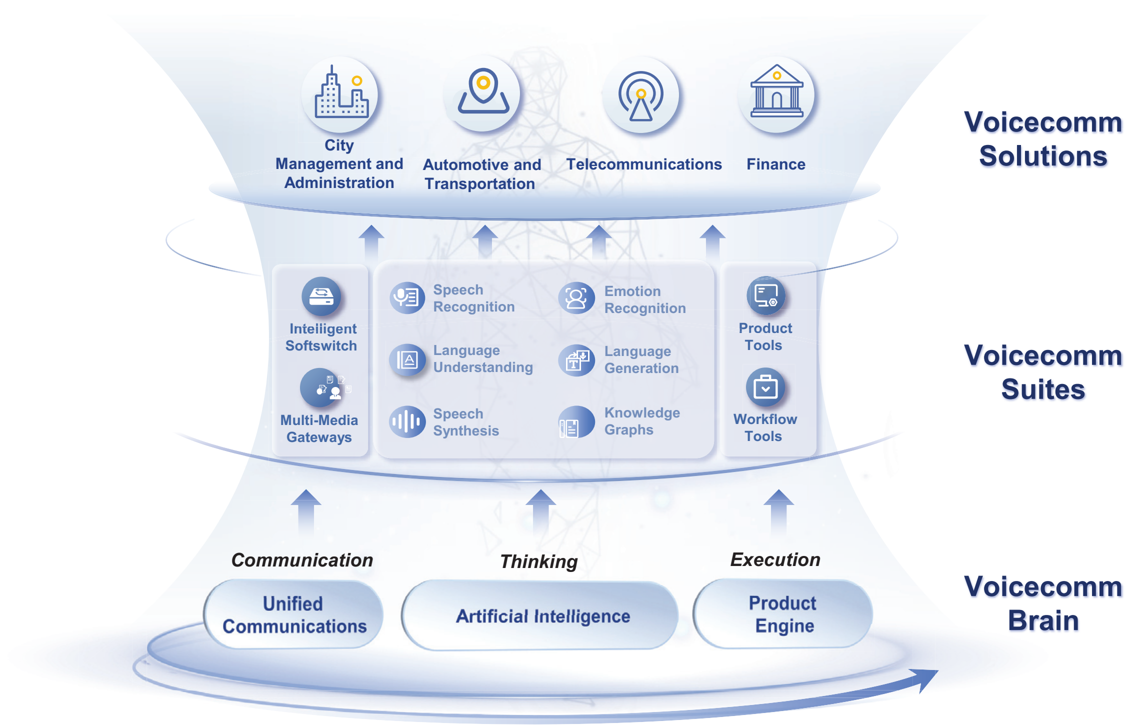
Empowered by our enterprise-level solution offerings and delivery capabilities, our revenue increased rapidly during the Track Record Period, during which time we also achieved continuously improving gross profit margin. The following table sets forth our total revenue, gross profit and gross profit margin in each year of the Track Record Period:

	Year Ended December 31,		
	2021	**2022**	**2023**
Revenue *(RMB'000)*	459,935	514,992	813,017
Gross profit *(RMB'000)*	152,162	201,466	325,417
Gross profit margin (%)	33.1%	39.1%	40.0%

Thanks to our technology infrastructure and standardized solution offerings, we are able to maintain stable profitability from our operations, with our adjusted net profit (a non-IFRS measure) amounting to RMB62.3 million, RMB71.7 million and RMB117.7 million in 2021, 2022 and 2023, respectively.

Our Solution Offerings

Through years of iterative research and development, we have offered various enterprise-level solutions in a number of end-customer industries including city management and administration, automotive and transportation, telecommunications, finance, as well as education, healthcare, tourism, the media, E-commerce and retailing, etc., using Voicecomm Brain and Voicecomm Suites, as illustrated by the following diagram:



Our Solutions Applied in Various End-Customer Industries – Voicecomm Solutions

Leveraging Voicecomm Brain and Voicecomm Suites, we have offered various types of enterprise-level solutions proven to have effectively improved the level of convenience and intelligence with respect to enterprise-level users' information exchanges and business interactions. In particular, our solutions have been used by enterprise-level users from various end-customer industries, primarily including city management and administration, automotive and transportation, telecommunications, and finance. We have also established and are further expanding the presence of our solutions into other industries such as the media, healthcare, E-commerce and retailing, etc., that can be empowered by conversational AI.

- **City Management and Administration.** Our solutions have primarily been applied in intelligent community (comprehensive governmental projects involving diverse application scenarios), intelligent administration and intelligent internet of things (IoT), where our technologies contribute to the establishment of smart cities where city infrastructure, public spaces and objects are interactively connected, and also make city management and administrative services more convenient and intelligent. For example, our solutions have been applied in local governments' "12345" hotlines, where our core conversational AI technologies assist human agent seats to understand, reply to and document calling citizens' requests, and our unified communication technologies expand the handling scope of such hotlines pre-call and facilitate the issue-solving process post-call. For more details, see "Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 2: Conversational AI "12345" Hotline Solutions" in this prospectus.

- **Automotive and Transportation.** Our solutions have primarily been applied in customer service for automobile and logistics companies, internet of vehicles (IoV) service that enables a smart cockpit and facilitates the intelligent scheduling of vehicle resources and route navigation, as well as vehicle-to-everything (V2X) autonomous driving, which helps realize a safe, convenient, intelligent and integrated automobile management and travel experience. For example, our solutions have been applied by automobile and logistics companies to establish well-connected multinational intelligent customer service centers, where our unified communication technologies ensure the integration of calls made from various countries, and our core conversational AI technologies enable speech-based interactions based upon different foreign languages. For more details, see "Our Solution Offerings – Voicecomm Solutions – Automotive and Transportation – Case Study – Case Study 1: Multinational Intelligent Customer Service Centers" in this prospectus.

- **Telecommunications.** Our solutions can empower telecommunications companies' communication tools and other value-added services. Such solutions allow various communication and management needs of the enterprises that have procured such communication tools and value-added services to be intelligently satisfied, while substantially lowering deployment and maintenance costs. For example, our solutions have been applied in enterprises' cloud-based phone systems, integrating multimodal information and various communication terminals so as to facilitate enterprises' communication needs. Realized primarily through our unified communication technologies, the solutions are embedded with value-added functions based upon our core conversational AI technologies and collaboration solutions that improve enterprises' work and communication efficiency. With an emphasis on information infrastructure and data protection, such solutions can ensure the security environment of the cloud hosted thereby while not compromising the cost-effective advantages of such solutions. For more details, see "Our Solution Offerings – Voicecomm Solutions – Telecommunications – Case Study – Case Study 1: Cloud-Based Phone System Solutions" in this prospectus.

- **Finance.** Our solutions offered to financial institutions have been applied primarily to upgrade their customer services and promote the comprehensive intelligent transformation of the finance industry. For example, our solutions have been applied in telephone banking, enabling intelligent virtual agents capable of intelligent conversational interactions with the callers/callees based upon our core conversational AI technologies, and realizing the seamless switch to human agent seats for complex issues by virtue of our unified communication technologies. For more details, see "Our Solution Offerings – Voicecomm Solutions – Finance – Case Study – Case Study 1: Intelligent Virtual Agent Solutions for Banks" in this prospectus. Additionally, we also offer solutions in service training that facilitate their internal processes.

Our Technology Infrastructure – Voicecomm Brain

Voicecomm Brain, our technology infrastructure, is underpinned by our core technologies in both unified communications and AI. Voicecomm Brain affords enterprise-level users with the following key values:

- **Quality and Reliability.** Voicecomm Brain is able to achieve a time interval between failures (the elapsed time between inherent failures during normal system operation) of 50 thousand hours, seamless redundant switching of servers without user awareness, as well as an average multimodal information transmission success rate of 99.999%, which lead above the industry average in China according to the iResearch Report.

- **High Compatibility.** Voicecomm Brain is compatible with the three major international protocols for computer telecommunications integration (CTI), i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications. In addition, Voicecomm Brain is compatible with various types of organizational operating systems, including but not limited to that on office automation, customer relationship management and enterprise resource planning.

- **Synergetic Technological Capabilities.** Our core technologies in unified communications and AI synergize with each other effectively. For instance, our voiceprint recognition technology is uniquely empowered by our technologies analyzing the underlying communication protocols used for transmission of signals via different terminal devices, which realizes the accurate audio source separation and intelligent analysis of conversations involving multiple speakers.

- **Cost Efficiency.** Voicecomm Brain can realize cost efficiency for users by significantly improving their communication efficiency with substantially lowered costs, thereby facilitating the rapid expansion of their operation scale. Take our conversational AI administrative service solution deployed in Zibo, Shandong as an example, it enabled cost reduction by more than 85% compared with the solutions previously used therein, while the efficiency for reaching out to callees increased by tens of times and the administrative service completion rate exceeded 80%.

Our Functional Modules – Voicecomm Suites

To realize large-scale deployment of our solutions and their quick replications in adjacent use cases, we have developed a full set of functional modules, Voicecomm Suites. Covering various steps of enterprise-level users' end-to-end information exchanges and business interactions, such modules can effectively address a number of pain points manifested in the enterprise-level conversational AI solution market, such as the needs of one-stop and in-depth service, convenient application-scenario expansion, selectable delivery and cost efficiency. For details, see "Business – Our Solution Offerings" in this prospectus. The major features and advantages of Voicecomm Suites are as follows:

- **Completeness.** Voicecomm Suites in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools.

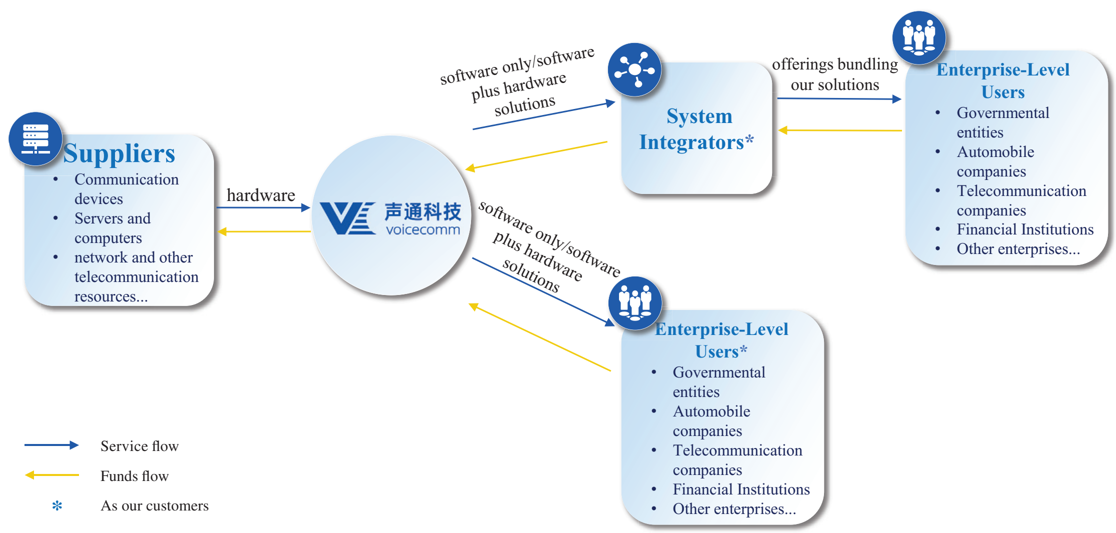
- **High Standardization.** Characterized by their high level of standardization, Voicecomm Suites can empower users' business operations in a cost-efficient fashion and help us achieve economies of scale by allowing us to readily replicate and adjust our solution offerings in similar application scenarios.

- **High Scalability.** Voicecomm Suites support free combination among themselves and output differently in accordance with users' specific business needs, and also enable interfacing with their various systems and software, through which we are able to diversify our solutions to the degree needed conveniently.

- **Low-Code.** Voicecomm Suites allow development personnel of users to realize the software applications that they want efficiently and agilely based upon application programming interfaces (APIs) in a low-code fashion featuring high stability and easy-to-use.

OUR REVENUE MODEL

During the Track Record Period, we generated our revenue on a project basis mainly from offering enterprise-level solutions enabled primarily by our technologies on unified communications and AI to our customers. Depending upon specific users' concrete needs, the extent to which a certain solution involves each category of technologies may vary. During the Track Record Period, core conversational AI technologies had been applied in most of our existing projects. As the record of such technologies being discretionarily applied after implementation is documented within the enterprise-level users' own systems, historical data regarding the frequency at which such technologies were applied in the relevant projects are unavailable from our end and inherently contingent upon the conversation volumes involved, which can vary significantly across diverse scenarios of different end-customer industries. For details of use cases showcasing the variations of applications of our core conversational AI technologies, see "Business – Our Revenue Model" in this prospectus. The following diagram illustrates our revenue model as well as the service flow and funds flow in relation to our solutions:



Specifically, our customers for our solutions during the Track Record Period included: (i) system integrators that embedded our solutions into their offerings to enterprise-level users; and (ii) enterprise-level users that used our solutions directly. The following table sets forth a breakdown of our revenue generated from offering solutions by customer types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue from						
– *System integrators*	381,101	83.4	378,897	77.1	638,528	79.7
– *Enterprise-Level users*	75,770	16.6	112,744	22.9	162,532	20.3
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The solutions that we offered during the Track Record Period consisted of: (i) software only solutions; and (ii) software plus hardware solutions in which we integrated our software systems with hardware devices, network and other telecommunication resources, and/or other services (if needed), etc., procured from suppliers as part of our total solutions. The following table sets forth a breakdown of our revenue generated from offering solutions by solutions types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	85,447	18.7	162,548	33.1	282,980	35.3
Software plus hardware solutions	371,424	81.3	329,093	66.9	518,080	64.7
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The following table sets forth a breakdown of our gross profit generated from offering solutions by solution types, in absolute amounts and in terms of gross profit margin for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	76,467	89.5	149,468	92.0	229,996	81.3
Software and hardware solutions	86,661	23.3	59,707	18.1	95,134	18.4
	163,128	**35.7**	**209,175**	**42.5**	**325,130**	**40.6**

During the Track Record Period, we generated an increasing amount of revenue from our software only solutions, which also took up an increasing portion in our total revenue, mainly due to that (i) it is our increasingly heightened focus to scale up offering such solutions of higher margins in order to enhance our competitive positioning while expanding profit pools through the maturation and accumulation of our technologies. As we establish and enhance our market presence, we have gradually adopted the strategy that prioritizes offering software only solutions in projects in which customers do not specifically demand software plus hardware delivery or where there is no concrete scenario-specific benefit for doing so, provided that this priority would not affect our acquisition of such customers; and (ii) the continuous expansion of our customer bases who typically purchased from us software plus hardware solutions to firstly establish their communication platforms affords us the opportunities to up-sell software only solutions later to further diversify and enhance their unified communications and AI capabilities.

As certain customers may have specific demand on functionalities that are incidental to our technologies, we from time to time externally purchased software and/or services on developing project-specific software to enable offering total solutions on a one-stop basis during the Track Record Period. The following table sets forth a breakdown of our revenue generated from software only solutions enabled solely by our technologies and those that incorporated externally purchased software and/or software-development services for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions						
– *Enabled solely by our technologies*	72,385	84.7	154,456	95.0	219,777	77.7
– *Including externally purchased software and/or software-development services*	13,062	15.3	8,092	5.0	63,203	22.3
Total	**85,447**	**100.0**	**162,548**	**100.0**	**282,980**	**100.0**

Our revenue generated from software only solutions that incorporated externally purchased software and/or software-development services fluctuated in each year of the Track Record Period, reflecting the contingent nature of the accessory functionalities demanded the relevant customers in each year. By contrast, our revenue generated from software only solutions enabled solely by our technologies increased continuously during the Track Record Period, which was consistent with the general trend of our revenue growth and also took up the major portion of our revenue generated from software only solutions. Our revenue generated from software only solutions enabled solely by our technologies contributed to a less percentage of our revenue generated from software only solutions in 2023, primarily due to the fact that we participated in certain projects that involved the purchase of functionally specific platforms supplementary to our technologies and accordingly generated a greater amount of revenue during the same period. Specifically, we primarily purchased externally for certain platforms for data analytic and management, and vehicle inspection to offer the relevant IoV solutions, as well as that for human resource maintenance to offer the relevant intelligent administration solutions, in each case on a one-stop basis.

During the Track Record Period, we generated our revenue primarily from providing our solutions in a number of end-customer industries, mainly including city management and administration, automotive and transportation, telecommunications, and finance. The following table sets forth a breakdown of our revenue generated from offering solutions by end-customer industries, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
City management and administration	165,075	36.1	192,734	39.2	321,239	40.1
Automotive and transportation	81,251	17.8	83,393	17.0	191,077	23.9
Telecommunications	68,385	15.0	91,782	18.7	173,976	21.7
Finance	96,051	21.0	79,745	16.2	84,530	10.5
Other industries	46,109	10.1	43,987	8.9	30,238	3.8
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

Project Backlog

The following table sets forth the movement of the number of our projects in each year of the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From January 1, 2024 and up to the Latest Practicable Date
	2021	**2022**	**2023**	
Number of ongoing projects at the beginning of the year/period	64	60	84	150
Add: Number of newly awarded projects	204	197	298	151
Less: Number of projects completed	208	173	232	106
Number of ongoing projects at the end of the year/period	60	84	150	195

The following table sets forth the rolling backlog of our projects by outstanding contract sum in each year of the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From January 1, 2024 and up to the Latest Practicable Date
	2021	**2022**	**2023**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Outstanding balance at the beginning of the year/period	324,582	297,884	382,476	500,850
Add: Contract value of newly awarded projects	476,136	625,401	1,013,744	473,415
Less: Revenue (VAT inclusive) recognized during the year/period*	502,833	540,809	895,370	405,281
Outstanding balance at the end of the year/period	297,884	382,476	500,850	568,983

Note:

* As the contract value according to the agreement is inclusive of VAT, for the purposes of calculating the project backlog, the revenue recognized during the relevant year/period also includes VAT.

OUR CUSTOMERS

During the Track Record Period, we mainly had two main categories of customers: (i) solution partner customers, who were primarily third-party system integrators that embedded our solutions into their offerings to cater to enterprise-level users' needs; and (ii) enterprise-level users purchasing and using our solutions directly. Sales amount generated from our five largest customers in each year of the Track Record Period represented 43.0%, 37.2% and 35.4% of our total sales amount for the same years, respectively. For details, see "Business – Customers and Customer Support" in this prospectus. Besides, revenue generated from our largest project during each year of the Track Record Period amounted to RMB121.4 million, RMB128.5 million and RMB134.8 million, respectively, which entails the establishment of a digitalized technological infrastructure for an intelligent town cluster in Chengdu where the administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one public service platform. For details, see "Business – Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this prospectus.

OUR SUPPLIERS

During the Track Record Period, our suppliers consisted primarily of (i) providers of hardware components such as communication devices, servers and computers that were or are to be integrated into our solutions; (ii) telecommunications companies with whom we cooperated for providing network and other telecommunication resources; (iii) providers of certain non-core and less sophisticated research and development programs; (iv) providers of cloud services; and (v) our business partners whose software/services were embedded into our solutions. Purchase amount from our five largest suppliers in each year of the Track Record Period represented 72.6%, 65.9% and 63.0% of our total purchase amount for the same years, respectively. For details, see "Business – Suppliers and Procurement" in this prospectus.

MARKET OPPORTUNITIES

According to the iResearch Report, the enterprise-level conversational AI solution market in China reached RMB62.1 billion in 2023, and is expected to reach RMB204.1 billion in 2028, at a CAGR of 26.9% from 2023 to 2028. However, the penetration rate of enterprise-level conversational AI solutions in China was merely 11.6% in 2023, as compared to 18.2% for the U.S., according to the same source. Currently, the penetration rate of enterprise-level conversational AI solutions in China still has huge growth potentials, which is estimated to increase to 16.2% in 2028.

China's enterprise-level conversational AI solution market is currently still experiencing a number of pain points, which makes it especially challenging for non-full-stack solution providers to fundamentally address the needs of enterprise-level users, such as one-stop and in-depth service, convenient application-scenario expansion, selectable delivery and cost efficiency. It is expected that full-stack enterprise-level conversational AI solution providers that possess unified communication and essential AI algorithm capabilities with the ability to self-develop conversational AI applications will seize greater market opportunities by fully exercising their technological advantages. By continuously exploring into innovative application scenarios, we aim to solve the pain points of the industry and make efficient enterprise-level communications at fingertips.

OUR COMPETITIVE STRENGTHS

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

- A seasoned IT solution provider with nearly two decades' dedication to enterprise-level conversational AI;
- Complete full-stack technology infrastructure;
- Highly standardized and scalable offering capabilities that facilitate solution launches and continuously improve operating efficiency;
- Sustainable growth empowered by a vibrant conversational AI ecosystem; and
- Industry-dedicated and visionary management team.

OUR STRATEGIES

- Further invest in research and development to ensure the leading position and innovativeness of our conversational AI technologies;
- Strengthen our commercialization capabilities by enriching our solution offerings;
- Enhance our connections with industrial participants to support a more prosperous conversational AI ecosystem that further realizes sustainable development; and
- Actively expand into Southeast Asia and other international markets.

RISK FACTORS

Our business faces risks including those set out in "Risk Factors" in this prospectus. As different investors may have different interpretations and criteria when determining the significance of a risk, you should read the "Risk Factors" section in its entirety before you decide to invest in our Offer Shares. Some of the major risks that we face include: (i) we are subject to credit risk related to defaults of customers as our trade receivables balance and trade receivables turnover days increased significantly during the Track Record Period, and any significant delay in payment or default on our trade receivables could materially and adversely affect our liquidity, working capital, financial condition and results of operations; (ii) as our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection and generative AI services, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences; (iii) as the industry in which we operate is highly competitive, our results of operations could be harmed if we do not effectively compete against our current or future competitors, which may particularly include major technology giants and cloud service companies; (iv) if we fail to continuously develop and innovate our solutions to meet enterprise-level users' evolving needs, our business, financial condition and results of operations may be materially and adversely affected; (v) we derived a significant portion of revenue from our intelligent town project in Chengdu during the Track Record Period; and (vi) we recognized substantial goodwill and intangible assets during the Track Record Period and may incur significant impairment charges related thereto, which may adversely affect our results of operations as a result.

SUMMARY OF KEY FINANCIAL INFORMATION

The following tables summarize our consolidated financial results during the Track Record Period and should be read in conjunction with "Financial Information" of this prospectus and the Accountants' Report set out in Appendix I to this prospectus, together with the respective accompanying notes.

Summary Consolidated Statements of Profit or Loss

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

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	459,935	514,992	813,017
Cost of revenue	(307,773)	(313,526)	(487,600)
Gross Profit	152,162	201,466	325,417
Other revenue	7,692	11,016	27,226
Other net gain/(loss)	200	(16)	(25)
Research and development expenses	(36,310)	(63,983)	(98,798)
Selling and marketing expenses	(3,162)	(7,249)	(10,347)
Administrative and other operating expenses	(24,552)	(31,486)	(58,499)
Impairment loss on trade receivables	(17,444)	(42,562)	(55,379)

	Year Ended December 31,		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Profit from operations	78,586	67,186	129,595
Net finance costs	(8,183)	(9,034)	(11,696)
Changes in carrying amount of redeemable capital contributions	(25,950)	(157,504)	(146,892)
Changes in fair value of financial assets measured at fair value through profit or loss	–	8,337	258
Share of (loss)/gain of associates	(22)	131	(20)
Profit/(loss) before taxation	44,431	(90,884)	(28,755)
Income tax	(8,047)	5,073	(446)
Profit/(loss) for the year	36,384	(85,811)	(29,201)
Attributable to			
Equity shareholder of our Company	36,895	(87,155)	(33,754)
Non-controlling interests	(511)	1,344	4,553

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use the adjusted net profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of the adjusted net profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define the adjusted net profit (a non-IFRS measure) as profit for the year by eliminating the impacts of changes in carrying amount of redeemable capital contributions. The following table reconciles our adjusted net profit (a non-IFRS measure) presented to the financial measure calculated and presented in accordance with IFRS, namely profit/loss for the year:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Reconciliation of profit/loss for the year and adjusted net profit (a non-IFRS measure)			
Profit/(loss) for the year	36,384	(85,811)	(29,201)
Add:			
Changes in carrying amount of redeemable capital contributions	25,950	157,504	146,892
Adjusted net profit (a non-IFRS measure)	**62,334**	**71,693**	**117,691**

Our management considers that changes in carrying amount of redeemable capital contributions is a non-cash item, primarily due to which we incurred net loss for the year of 2022 and 2023 and such carrying amount will be reclassified from financial liabilities to equity upon completion of the Listing and the Global Offering. Therefore, by eliminating the impacts of the said item in the calculation of the adjusted net profit (a non-IFRS measure), such measure could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

Discussion of Fluctuations of Net Profit

We incurred profit for the year of RMB36.4 million in 2021 and loss for the year of RMB85.8 million in 2022, primarily due to changes in carrying amount of redeemable capital contributions, which offset the increase in our revenue and gross profit. Our loss for the year then decreased to RMB29.2 million in 2023, primarily due to a significant increase in our revenue and gross profit, which offset the increase in our research and development expenses and administrative and other operating expenses, among other expenses. The aforesaid negative impact of changes in carrying amount of redeemable capital contributions on our net profit during the Track Record Period was in relation to our obligation to repurchase equity investments respecting the Pre-IPO Investments and as a result of our growing market capitalization, which will be eliminated upon completion of the Listing and the Global Offering.

Summary of Consolidated Statements of Financial Position

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

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Total non-current assets	**152,991**	**300,678**	**489,064**
Current assets			
Inventories and other contract costs	112,475	95,269	7,653
Trade and other receivables	242,812	339,674	602,705
Prepayments	95,296	139,219	233,834
Cash	10,641	20,434	46,876
Total current assets	**461,224**	**594,596**	**891,068**
Current liabilities			
Trade and other payables	46,518	59,433	43,389
Contract liabilities	26,732	31,127	97,423
Bank loans and other borrowings	150,663	211,650	342,000
Lease liabilities	2,302	4,128	8,115
Taxation payable	2,897	2,890	3,169
Redeemable capital contributions	265,666	527,970	852,912
Total current liabilities	**494,778**	**837,198**	**1,347,008**
Net current liabilities	**(33,554)**	**(242,602)**	**(455,940)**
Total non-current liabilities	**9,677**	**23,433**	**25,552**
Net assets	**109,760**	**34,643**	**7,572**
Total equity/(deficit) attributable to equity shareholders of our Company	107,059	19,941	(11,683)
Non-controlling interests	2,701	14,702	19,255

We had net current liabilities of RMB33.6 million, RMB242.6 million and RMB455.9 million as of December 31, 2021, 2022 and 2023, respectively, primarily due to a continuous increase in our (i) redeemable capital contributions; and (ii) bank loans and other borrowings. The aforementioned significant amount of our redeemable capital contributions was in relation to our obligation to repurchase equity investments respecting the Pre-IPO Investments and as a result of our growing market capitalization, and the increase in our bank loans and other borrowings were incurred to fund our continuously expanded business. We expect to turn our net current liabilities position into net current assets upon completion of the Listing and the Global Offering, as carrying amount of such redeemable capital contributions will be reclassified from financial liabilities to equity as a result of the termination of the preferred rights. For details, see "Financial Information – Discussion on Selected Items from Consolidated Statements of Financial Position – Redeemable Capital Contributions" in this prospectus.

Our net assets decreased from RMB109.8 million as of December 31, 2021 to RMB34.6 million as of December 31, 2022, mainly reflecting changes in equity primarily resulting from our loss for the year of 2022 of RMB85.8 million. Our net assets decreased from RMB34.6 million as of December 31, 2022 to RMB7.6 million as of December 31, 2023, mainly reflecting changes in equity primarily resulting from our loss for the year of 2023 of RMB29.2 million.

Summary of Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cash generated from operations before movements in working capital	99,664	127,678	215,526
Changes in working capital	(158,414)	(150,912)	(282,141)
Tax paid	(16,328)	(7,880)	(1,454)
Net cash used in operating activities	(75,078)	(31,114)	(68,069)
Net cash used in investing activities	(108,142)	(140,677)	(184,386)
Net cash generated from financing activities	186,719	181,584	278,897
Net increase in cash	3,499	9,793	26,442
Cash at beginning of the year	7,142	10,641	20,434
Cash at end of the year	**10,641**	**20,434**	**46,876**

We incurred net cash used in operating activities during the Track Record Period, primarily as a result of the increase in our trade and other receivables and prepayments, offsetting our profit/loss before taxation adjusted for non-cash and non-operating items in a positive net effect. Our net cash used in investing activities increased from RMB108.1 million in 2021 to RMB140.7 million in 2022, primarily as a result of a significant increase in payment for the acquisition of intangible assets. Our net cash used in investing activities further increased to RMB184.4 million in 2023, primarily as a result of a significant increase in payment for the acquisition of property and equipment. Our net cash generated from financing activities increased substantially from RMB181.6 million in 2022 to RMB278.9 million in 2023, primarily as a result of a significant increase in proceeds from redeemable capital contributions and proceeds from bank loans and other borrowings, offsetting an increase in repayment of bank loans and other borrowings. For details, see "Financial Information – Liquidity and Capital Resources" in this prospectus.

PRIOR QUOTATION AND WITHDRAWAL FROM QUOTATION ON THE N BOARD

Our Shares had been quoted on the N Board under the stock code 300005 from December 18, 2015 to December 23, 2022 (both days inclusive). Concurrently upon the withdrawal from quotation on the N Board, our Company was transferred to the Q Board as approved by the Shanghai Equity Exchange. On August 31, 2023, a resolution was passed by the Shareholders to apply for the withdrawal of quotation from the Q Board. Our application for withdrawal from quotation on the Q Board was approved by the Shanghai Equity Exchange on 24 February 2024, and the withdrawal was completed on 28 February 2024.

The withdrawal from quotation on the N Board was a commercial and strategic decision made by our then Directors, with a view to achieving our overall strategic objective to develop an international financing platform and maximize our shareholders' value. Our Directors believe the withdrawal from quotation on the N Board and the Listing on the Stock Exchange would be in the interests of our Group and the Shareholders as a whole, in particularly, among others, (i) the Listing on the Stock Exchange would facilitate the identification and establishment of the fair value of our Group; (ii) the Stock Exchange could offer us a direct access to the international capital markets, enhance our fund-raising capabilities and channels and broaden our Shareholders base; (iii) shares listed on the Stock Exchange generally has higher liquidity as compared to that of the N Board, which would provide better chance of realising the interest in our Group; and (iv) the Listing will further raise our business profile and industry presence.

For details, see "History, Development and Corporate Structure – Joint Stock Reform and Quotation on the N Board" and "History, Development and Corporate Structure – Withdrawal from Quotation on the N Board" in this prospectus.

OUR SHAREHOLDING STRUCTURE

Our Controlling Shareholders

As of the Latest Practicable Date, Mr. Tang, Ms. Xu (the spouse of Mr. Tang and holding 1% of the equity interests in Voicecomm Rongzhi), Voicecomm Rongzhi, Mr. Sun, Jiageng Culture, Mr. Yang, Mr. Jiang Haisheng (姜海生) (holding indirectly 40% of the equity interests in Jiangfan Technology), Jiangcheng Asset Management (the holding company of Jiangfan Technology) and Jiangfan Technology were collectively entitled to exercise voting rights of approximately 35.97% of the total issued shares of our Company, and are considered as a group of controlling shareholders of our Company before the Listing. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Tang, Ms. Xu, Voicecomm Rongzhi, Mr. Sun, Jiageng Culture, Mr. Yang, Mr. Jiang Haisheng (姜海生), Jiangcheng Asset Management and Jiangfan Technology will be collectively entitled to exercise voting rights of approximately 31.54% of the total issued shares of our Company, and hence they will be a group of controlling shareholders of our Company. For details, see "Relationship with our Controlling Shareholders – Our Controlling Shareholders" in this prospectus.

Pre-IPO Investments

The Pre-IPO Investments include: (i) Series A Financing; (ii) Series B Financing; (iii) Series B+ Financing; (iv) Series C Financing; and (v) the 2023 Investments by Equity Transfers. We raised a total of approximately RMB499.6 million through the Series A Financing, Series B Financing, Series B+ Financing and Series C Financing. Pursuant to the PRC Company Law, all the existing Shareholders (including the Pre-IPO Investors) are subject to a 12-month lock-up period from the Listing Date. Our Pre-IPO Investors consist of private equity funds, government-led fund and investment holding companies, some with specific focus on information technology. For details on the Pre-IPO Investments received by us, see "History, Development and Corporate Structure – Pre-IPO Investments" in this prospectus.

GLOBAL OFFERING STATISTICS

	Based on the Offer Price of HK$152.10
Market capitalization of our Shares(1)	HK$5,388.1 million
Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company per Share as of December 31, 2023(2)(3)	RMB35.00 (HK$38.38)

Notes:

(1) Calculation of market capitalization is based on 35,424,890 Shares expected to be in issue immediately after completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company per Share have been arrived at after adjustments referred to in "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus.

(3) No other adjustment has been made to the unaudited pro forma adjusted net tangible assets to reflect any trading results or other transactions of our Group entered into subsequent to December 31, 2023.

LISTING EXPENSE

During the Track Record Period, we incurred listing expenses of RMB4.6 million (HK$5.0 million) and RMB15.9 million (HK$17.5 million) charged to administrative and other operating expenses in our statements of profit or loss in 2022 and 2023, respectively.

Listing expenses to be borne by us are estimated to be approximately RMB84.2 million (HK$92.4 million), at the Offer Price of HK$152.10 per Offer Share, and assuming the Over-allotment Option is not exercised, among which (i) underwriting-related expenses, including underwriting commission and other expenses are approximately RMB33.3 million (HK$36.6 million); and (ii) non-underwriting-related expenses are approximately RMB50.9 million (HK$55.8 million), comprising (a) fees and expenses of legal advisors and accountants of approximately RMB26.9 million (HK$29.5 million); and (b) other fees and expenses of approximately RMB24.0 million (HK$26.3 million). As of December 31, 2023, we incurred a total of RMB24.1 million (HK$26.4 million) in listing expenses, among which RMB20.5 million (HK$22.5 million) was recognized in our statements of profit or loss, and RMB3.6 million (HK$3.9 million) is expected to be deducted from equity. We estimate that we will further incur listing expenses of RMB60.1 million (HK$66.0 million), of which RMB20.7 million (HK$22.7 million) will be recognized in our statements of profit or loss, and RMB39.4 million (HK$43.3 million) will be deducted from equity. Our listing expenses as a percentage of gross proceeds from the Global Offering will be 13.9%, assuming an Offer Price of HK$152.10 per Offer Share and that the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

FUTURE PLANS AND USE OF PROCEEDS

At an Offer Price of HK$152.10 per Offer Share, we estimate that we will receive net proceeds of approximately HK$571.6 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised. We currently intend to use the net proceeds we expect to receive from the Global Offering for the following purposes and in the amounts set out below:

- Approximately 60.0%, or HK$343.0 million, will be used to enhance the fundamental research on our key technologies, improve the development of our standardized solutions and iteratively launch diverse commercialization applications and functions for more business scenarios.

- Approximately 20.0%, or HK$114.3 million, will be allocated to expand our solution offerings, build our brand and enhance our commercialization capabilities.

- Approximately 10.0%, or HK$57.2 million, will be used to pursue domestic and overseas strategic investment and acquisition opportunities, so as to implement our long-term growth strategy to optimize our solutions and expand and penetrate the end-customer industries that we cover.

- Approximately 10.0%, or HK$57.2 million, will be used for general corporate purposes.

For details, see "Future Plans and Use of Proceeds" in this prospectus.

DIVIDEND

No dividends were paid or declared by our Company or any of our subsidiaries during the Track Record Period. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important. According to the PRC *Company Law*, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Adviser, our Company cannot pay dividends if it is in an accumulated loss position. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the Global Offering. For details, see "Financial Information – Dividend" in this prospectus.

RECENT DEVELOPMENT

Financial Performance after the Track Record Period

Since the end of the Track Record Period, we have continued developing our business and we expect that our revenue will further increase for the year of 2024, mainly considering our continuous penetration into our key end-customer industries and launching our solutions that can be applied to various enterprise-level scenarios. Specifically, we have been newly awarded with 151 projects from January 1, 2024 and up to the Latest Practicable Date, and the number of ongoing projects has increased from 150 as of December 31, 2023 to 195 as of the Latest Practicable Date. Moreover, the contract value of such newly awarded projects from January 1, 2024 and up to the Latest Practicable Date amounted to RMB473.4 million. For details of our project backlog in terms of project number and contract amount since the end of the Track Record Period and up to the Latest Practicable Date, see "Business – Our Project – Project Backlog" in this prospectus.

In addition to our stable revenue growth, we also expect that our gross profit margin for the year of 2024 will further improve in comparison with that in 2023, which is continuously bolstered by (i) the increase in our offerings of higher-margin software systems within our solutions; and (ii) the increased level of modularization and standardization of our solutions. As technology is one of the key fundamentals that supports our business development, we expect to continuously incur considerable research and development expenses in the future, and our research and development expenses are expected to increase significantly for the year of 2024. We also expect to incur an increased amount of selling and marketing expenses to further build our brand and enhance our commercialization capabilities. Additionally, we expect that changes in carrying amount of redeemable capital contributions for the year of 2024, which is due to our growing market capitalization but will no longer impact our financial performance upon completion of the Listing and the Global Offering because of the termination of the relevant preferred shares in connection with the Pre-IPO Investments, will considerably decrease in 2024. Based upon the foregoing, we expect that we will recognize net profit for the year of 2024.

Regulatory Update

Recent Regulatory Update Relating to Data Privacy, Cybersecurity and Generative AI Services

Network Data Security Management Regulations (Draft for Comment) (the "Draft Regulations")

On November 14, 2021, the CAC released the Draft Regulations, which stipulate several requirements for entities who process data through the use of networks, including that data processors shall (i) be responsible for the security of the data it processed and shall undertake data protection obligations; and (ii) establish comprehensive data protection system and technical protection mechanism. For details of the Draft Regulations, see "Regulatory Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this prospectus.

Our PRC Legal Adviser is of the view that the possibility that our proposed Listing in Hong Kong may give rise to national security risks and require the application of cybersecurity review is remote. Based upon such view, our Directors believe, and the Sole Sponsor concurs, that even if the Draft Regulations are adopted in their current form, it is unlikely that we will be required to apply for cybersecurity review for our proposed Listing in Hong Kong. The data processing activities involved in our business operations will be subject to the requirements set by the Draft Regulations if they become effective. Even if the Draft Regulations are implemented in their current form, our Directors believe that we will be able to comply with the requirements in our business operations and they will not have a material adverse impact on us. For details of our PRC Legal Adviser's view and our ability to comply with the requirements under the Draft Regulations without material adverse impact on us, see "Business – Information System, Data Security and Privacy Protection – Internet Information Security" in this prospectus.

Cybersecurity Review Measures

According to the amended *Cybersecurity Review Measures*, which have come into effect on February 15, 2022, (i) the purchase of cyberspace products and services by the CIIOs and the network platform operators (the "**Network Platform Operators**") which engage in data processing activities that impact or may impact national security shall be subject to cybersecurity review by the Cybersecurity Review Office; and (ii) the Network Platform Operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for cybersecurity review by the Cybersecurity Review Office. For details of the *Cybersecurity Review Measures*, see "Regulatory Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this prospectus.

Our PRC Legal Adviser confirms that neither our business operations nor our proposed Listing in Hong Kong will trigger the obligation to apply for cybersecurity review by the Cybersecurity Review Office pursuant to the amended *Cybersecurity Review Measures*. Our Directors are of the view that the *Cybersecurity Review Measures* do not apply to us and will not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above. For details of our PRC Legal Adviser's view and discussions on the applicability of the *Cybersecurity Review Measures* to us, see "Business – Information System, Data Security and Privacy Protection – Internet Information Security" in this prospectus.

Interim Administrative Measures on Generative AI Services (the "Interim Measures on GAI")

On July 13, 2023, the CAC and other six ministries jointly published the Interim Measures on GAI, effective on August 15, 2023. For details of the Interim Measures on GAI, see "Regulatory Overview – Regulations and Policies on Information Industry – Regulations on the Application of Artificial Intelligence Technologies" in this prospectus. The Interim Measures on GAI apply to the provision of generated contents such as texts, images, audios and videos to the public within the territory of China by utilizing generative AI technologies ("**GAI**

Services"), to which our business operations may be subject. Since we do not directly or indirectly provide any AI-based content generating services to individual users, our PRC Legal Adviser believes that our current businesses fall out of the applicable scope of the Interim Measures on GAI. However, it essentially remains uncertain as to whether our current businesses will be deemed by competent authorities to constitute indirectly providing AI-based content generating services to individual users and thus subject to the Interim Measures on GAI.

That said, our PRC Legal Adviser is of the view that we would be able to comply with the Interim Measures on GAI in all material respects assuming its applicability to our current businesses, considering that: (i) we have adopted internal procedures to ensure that our operations are in compliance with applicable laws and regulations, including the Interim Measures on GAI. Specifically, we will strengthen our legal and compliance risk management by monitoring legal updates and updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, including that in relation to the Interim Measures on GAI, and accordingly updating our internal protocols and procedures in a timely manner; and (ii) moreover, we have also taken contractual and other measures to ensure the legitimacy of the source of the training data we used. As of the Latest Practicable Date, we (a) had formulated and implemented our algorithm security management standards and rules, including the mechanism preventing our AI models from being used to generate illegal or false information; and (b) were in the process of filing for record for our algorithms with the CAC. Specifically, under the *Administrative Provisions on Deep Synthesis in Internet-based Information Services*, (i) we have to file our algorithm record with the CAC; (ii) as of the Latest Practicable Date, we had submitted the eligibility certification application, and had obtained approval from the CAC; and (iii) we then submitted algorithm security self-assessment report and other materials to the CAC for further review. According to our PRC Legal Adviser, the entire filing procedure will normally take three to four months based upon the general practice, based upon which it is expected that such filing will be completed before September or October 2024. Based on the reasons above, our Directors are of the view that even if the Interim Measures on GAI did apply to us, it would not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above.

For details of the analysis of the Interim Measures on GAI's applicability to our business, as well as our ability to comply with the Interim Measures on GAI, see "Business – Information System, Data Security and Privacy Protection – Generative AI Services" in this prospectus.

Recent Regulatory Update Relating to Overseas Listing

On February 17, 2023, the CSRC promulgated the *Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises* (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Administrative Measures**") and relevant supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Trial Administrative Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC enterprise limited by shares; and (ii) any offshore enterprise that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after its application for overseas listing is submitted. We have timely filed with the CSRC, which was officially accepted by the CSRC on July 7, 2023. The CSRC confirmed our completion of the filing on March 8, 2024. As advised by our PRC Legal Adviser, we have completed all necessary filings with the CSRC for the listing of the H Shares on the Stock Exchange. We are also proactively following up on changes in laws and regulatory development and will carry out relevant work to ensure continuous compliance with laws and regulations with the aid of external counsels, including our PRC Legal Adviser. For details, see "Regulatory Overview – Regulations on Overseas Listing" in this prospectus.

No Material Adverse Change

Our Directors confirmed that, up to the date of this prospectus, there had been no material adverse change in our financial or operational prospects since December 31, 2023, being the latest balance sheet date of our consolidated financial statements in the Accountants' Report in Appendix I to this prospectus.

In this prospectus, the following expressions shall have the meanings set out below unless the context otherwise requires.

"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council
"Application Lists"	the application lists for the Hong Kong Public Offering
"Articles" or "Articles of Association"	our articles of association, as conditionally adopted on June 16, 2023 and will come into effect upon Listing (as amended, supplemented or otherwise modified from time to time), a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Board" or "Board of Directors"	our board of Directors
"Board of Supervisors"	our board of Supervisors
"Business Day"	a day that is not a Saturday, Sunday or public holiday in Hong Kong
"CAC"	Cyberspace Administration of China (中華人民共和國國家互聯網信息辦公室)
"Capital Market Intermediaries" or "capital market intermediary(ies)"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed thereto under the Listing Rules;
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Chongqing Voicecomm"	Chongqing Shengtong Intelligent Technology Co., Ltd. (重慶聲通智能科技有限公司), a limited liability company established under the laws of PRC, being a wholly-owned subsidiary of our Company

"China" or "the PRC"	the People's Republic of China excluding, for the purposes of this prospectus, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"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" or "our Company"	Shanghai Voicecomm Information Technology Co., Ltd. (上海聲通信息科技股份有限公司), a joint stock company incorporated in the PRC with limited liability on May 7, 2015, or, where the context requires (as the case may be), its predecessor with the same English name (上海聲通信息科技有限公司), a limited liability company established in the PRC on December 5, 2005
"Concert Parties"	refer to Mr. Tang, Mr. Sun and Jiangfan Technology, and "Concert Party" means any one of them
"Concert Party Agreement"	the concert party agreement dated March 20, 2021 entered into by Mr. Tang, Mr. Sun and Jiangfan Technology, pursuant to which the parties agreed, inter alia, that they shall act in concert with respect to, inter alia, operation and business development related matters of the Company which are subject to approval in general meetings or board meetings of the Company since the date of the agreement and up until they cease to hold any shares of the Company. For further details, see "History, Development and Corporate Structure – Concert Party Arrangement" in this prospectus
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules

"Controlling Shareholder(s)"	has the meaning ascribed thereto under the Listing Rules and in the context of this prospectus, refers to the controlling shareholders of our Company, being the Concert Parties, Ms. Xu, Voicecomm Rongzhi, Jiageng Culture, Jiangcheng Asset Management, Mr. Yang and Mr. Jiang Haisheng (姜海生)
"Conversion of Unlisted Shares into H Shares"	The conversion of 8,625,913 Unlisted Shares in aggregate held by 30 existing Shareholders into H Shares upon the completion of Global Offering. The Company has applied for such conversion of Unlisted Shares into H Shares with the CSRC on November 16, 2023, which has been approved by CSRC on March 8, 2024, and an application has been made to the Listing Committee for such H Shares to be listed on the Stock Exchange
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
"Director(s)"	the director(s) of our Company or any one of them
"Designated Bank"	HKSCC Participant's EIPO Designated Bank
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
"FINI"	Fast Interface for New Issuance, a new digital platform through which IPO market participants and regulators can manage the end-to-end settlement process for new listings in Hong Kong
"GDP"	Gross Domestic Product
"General Rules of HKSCC"	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Global Offering"	the Hong Kong Public Offering and the International Offering

"Group", "our Group", "our", "we", or "us"	the Company and all of its subsidiaries, or any one of them as the context may require or, where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries, or any one of them as the context may require, were or was engaged in and which were subsequently assumed by it
"Guang'an Voicecomm"	Guang'an Voicecomm Information Technology Co., Ltd. (廣安聲通信息科技有限公司), a limited liability company established under the laws of PRC, being an wholly owned subsidiary of our Company
"H Share(s)"	overseas listed foreign invested ordinary share(s) in the ordinary share capital of our Company, with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and for which an application has been made for the granting of listing and permission to deal in on the Stock Exchange
"H Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hainan Voicecomm Intelligent Technology"	Hainan Voicecomm Intelligent Technology Co., Ltd. (海南聲通智能科技有限責任公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited
"**HKSCC EIPO**"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your broker or custodian who is HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly owned subsidiary of the HKSCC

"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operations and functions of CCASS, FINI or any other platform, facility or system established, operated and/or otherwise provided by or through HKSCC, as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 436,580 H Shares initially being offered by us for subscription pursuant to the Hong Kong Public Offering, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer for subscription of the Hong Kong Offer Shares to the public in Hong Kong (subject to adjustment as described in the section headed "Structure of the Global Offering" in this prospectus) at the Offer Price (plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%) on the terms and subject to the conditions described in this prospectus, as further described in the section headed "Structure of the Global Offering – The Hong Kong Public Offering"
"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
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the paragraph headed "Underwriting – Hong Kong Underwriters"

"Hong Kong Underwriting Agreement"	the underwriting agreement dated June 27, 2024 relating to the Hong Kong Public Offering and entered into amongst our Company, the Controlling Shareholders, China International Capital Corporation Hong Kong Securities Limited and the Hong Kong Underwriters
"IFRS"	the International Financial Reporting Standards, which include standards, amendments and interpretations promulgated by International Accounting Standards Board (IASB) and the International Accounting Standards (IAS) and interpretations issued by the International Accounting Standards Committee (IASC)
"IIT Law"	the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》)
"Independent Third Party" or "Independent Third Parties"	a person or entity which, to the best of our Directors' knowledge, information, and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning of the Listing Rules
"International Offer Shares"	the 3,929,080 H Shares initially being offered by us for subscription under the International Offering, together, where relevant, with any additional Shares that may be allotted and issued pursuant to the exercise of the Over-allotment Option, and subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"International Offering"	the conditional placing by the International Underwriters of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the underwriters of the International Offering listed in the International Underwriting Agreement

"International Underwriting Agreement"	the underwriting agreement relating to the International Offering and to be entered into on or around Monday, July 8, 2024 by, among others, our Company, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, Joint Lead Managers, Joint Bookrunners and the International Underwriters
"iResearch"	Shanghai iResearch Co., Ltd., the industry consultant commissioned by us and an Independent Third Party
"iResearch Report"	the independent industry report in respect of the Global Offering prepared by iResearch
"Jiageng Culture"	Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), a limited liability company established under the laws of PRC and is wholly-owned by Mr. Sun. It is one of our Controlling Shareholders
"Jiangcheng Asset Management"	Shanghai Jiangcheng Asset Management Co., Ltd. (上海江程資產管理有限公司), a limited liability company established under the laws of PRC and is held as to 60% by Mr. Yang and 40% by Mr. Jiang Haisheng (姜海生). It is one of our Controlling Shareholders
"Jiangfan Technology"	Shanghai Jiangfan Technology Development Co., Ltd. (上海江泛科技發展有限公司), a limited liability company established under the laws of PRC and is wholly-owned by Shanghai Jiangcheng Asset Management Co., Ltd. (上海江程資產管理有限公司), which is in turn held as to 60% by Mr. Yang and 40% by Mr. Jiang Haisheng (姜海生). It is one of our Controlling Shareholders
"Jinxun Digital Intelligence"	Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司), a limited liability company established under the laws of PRC, being a non-wholly-owned subsidiary of our Company

"Joint Bookrunners"	China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Brokerage Company Limited, CMBC Securities Company Limited, Orient Securities (Hong Kong) Limited, ABCI Capital Limited, CCB International Capital Limited, China Everbright Securities (HK) Limited, China Galaxy International Securities(Hong Kong) Co., Limited, China Merchants Securities (HK) Co., Limited, CMB International Capital Limited, DBS Asia Capital Limited, GF Securities (Hong Kong) Brokerage Limited, ICBC International Securities Limited, Shenwan Hongyuan Securities (H.K.) Limited and Zhongtai International Securities Limited
"Joint Global Coordinators"	China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Brokerage Company Limited, CMBC Securities Company Limited and Orient Securities (Hong Kong) Limited
"Joint Lead Managers"	China International Capital Corporation Hong Kong Securities Limited, China Securities (International) Brokerage Company Limited, CMBC Securities Company Limited, Orient Securities (Hong Kong) Limited, ABCI Securities Company Limited, CCB International Capital Limited, China Everbright Securities (HK) Limited, China Galaxy International Securities(Hong Kong) Co., Limited, China Merchants Securities (HK) Co., Limited, CMB International Capital Limited, DBS Asia Capital Limited, GF Securities (Hong Kong) Brokerage Limited, ICBC International Securities Limited, Shenwan Hongyuan Securities (H.K.) Limited, Zhongtai International Securities Limited, Fosun International Securities Limited, Futu Securities International (Hong Kong) Limited, Guosen Securities (HK) Capital Company Limited, Livermore Holdings Limited, Tiger Brokers (HK) Global Limited and TradeGo Markets Limited
"Latest Practicable Date"	June 20, 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication

"LEI"	Legal Entity Identifier, a 20-character alpha-numeric code under the Global LEI System adopted by the Financial Stability Board to uniquely identify distinct legal entities which participate in financial transactions
"Listing"	listing of the H Shares on the Main Board of the Stock Exchange
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about Wednesday, July 10, 2024, on which the H Shares will be listed and dealings in the H Shares first commence on the Stock Exchange
"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)
"Main Board"	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
"MIIT"	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部) (formerly known as the Ministry of Information Industry)
"MOF"	Ministry of Finance of the PRC (中華人民共和國財政部)
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Sun"	Mr. Sun Qi (孫琪), the general manager of our Company, an executive Director and one of our Controlling Shareholders
"Mr. Tang"	Mr. Tang Jinghua (湯敬華), the chairman of the Board, an executive Director and one of our Controlling Shareholders
"Mr. Yang"	Mr. Yang Xiaoyuan (楊曉源), a non-executive Director and one of our Controlling Shareholders

"Ms. Xu"	Ms. Xu Xiangfeng (徐向鋒), the spouse of Mr. Tang and one of our Controlling Shareholders
"N Board"	Shanghai Equity Exchange Tech Innovative Board (上海股交中心科技創新板), an equity trading platform for technology or innovative companies, which is managed by the Shanghai Equity Exchange (上海股權託管交易中心股份有限公司)
"NDRC"	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"NPC"	the National People's Congress of the PRC (中華人民共和國全國人民代表大會)
"Offer Price"	the offer price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Hong Kong Stock Exchange trading fee of 0.00565%) of HK$152.10, at which the Offer Shares are to be subscribed for and to be determined in the manner further described in "Structure of the Global Offering – Pricing of the Global Offering" in this prospectus
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, together with, where relevant, any additional H Shares which may be issued by our Company pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option to be granted by us to the International Underwriters exercisable by the Sole Overall Coordinator on behalf of the International Underwriters under the International Underwriting Agreement, to require us to allot and issue up to 654,840 additional H Shares at the Offer Price, representing up to 15% of the total number of Offer Shares initially available under the Global Offering to, among others, cover over-allocations in the International Offering, if any, further details of which are described in the section headed "Structure of the Global Offering – The International Offering – Over-allotment Option" in this prospectus

"PBOC"	People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Government"	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
"PRC Legal Adviser"	Jingtian & Gongcheng, our legal adviser as to PRC laws
"Pre-IPO Investments"	the investment(s) in our Company undertaken by the Pre-IPO Investors pursuant to the respective capital injection agreement(s) and equity transfer agreement(s), details of which are set out in the section headed "History, Development and Corporate Structure" in this prospectus
"Pre-IPO Investor(s)"	the investor(s) who participated in our Pre-IPO Investments, details of which are set out in the section headed "History, Development and Corporate Structure" in this prospectus
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"Q Board"	Tech Innovative Q Board (科創Q板), a display board managed by the Shanghai Equity Exchange (上海股權託管交易中心股份有限公司), catering for enterprises which are in the industries encouraged by the N Board and are expected to be able to meet the financial performance requirements for quotation on the N Board. The Tech Innovative Q Board offers no online trading platform or trading function
"Regulation S"	Regulation S under the U.S. Securities Act
"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)
"SAIC"	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)

"SAT"	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
"Securities and Futures Commission" or "SFC"	the Securities and Futures Commission of Hong Kong
"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
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (as amended, supplemented or otherwise modified from time to time)
"Shandong Voicecomm Information Technology"	Shandong Voicecomm Information Technology Co., Ltd. (山東聲通信息科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"Shandong Voicecomm Intelligent Technology"	Shandong Voicecomm Intelligent Technology Co., Ltd. (山東聲通智能科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"Sichuan Voicecomm Yunji"	Sichuan Voicecomm Yunji Information Technology Co., Ltd. (四川聲通蘊吉信息科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"Sichuan Voicecomm Zhigan"	Sichuan Voicecomm Zhigan Technology Co., Ltd. (四川聲通智感科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"Sichuan Voicecomm Zhishi"	Sichuan Voicecomm Zhishi Technology Co., Ltd. (四川聲通智識科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company

"Sole Overall Coordinator"	China International Capital Corporation Hong Kong Securities Limited
"Sole Sponsor"	China International Capital Corporation Hong Kong Securities Limited
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Strategy Committee"	the strategy committee of our Board
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules
"Supervisor(s)"	member(s) of our Board of Supervisors
"Takeovers Code"	the Code on Takeovers and Mergers and Share Buy-backs, as published by the SFC (as amended, supplemented or otherwise modified from time to time)
"Track Record Period"	the three years ended December 31, 2021, 2022 and 2023
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States" or "U.S."	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"Unlisted Shares"	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
"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, and the rules and regulations promulgated thereunder

"VAT"	value-added tax
"VAT License"	value-added telecommunication services operating license
"Voicecomm Gengyou"	Sichuan Voicecomm Gengyou Auto Parts Intelligent Manufacturing Co., Ltd. (四川聲通庚酉汽車零部件智能製造有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"Voicecomm (Hong Kong)"	Voicecomm Limited (香港聲通智能技術有限公司), a limited liability company incorporated in Hong Kong, being an wholly-owned subsidiary of our Company
"Voicecomm Jiachen"	Sichuan Voicecomm Jiachen Information Technology Co., Ltd. (四川聲通甲辰信息科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company
"Voicecomm Rongzhi"	Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), formerly known as Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司), a limited liability company established under the laws of PRC and is owned as to 99.0% and 1.0% by Mr. Tang and Ms. Xu, respectively. It is one of our Controlling Shareholders
"Voicecomm Xuanwu"	Sichuan Voicecomm Xuanwu Information Technology Co., Ltd. (四川聲通玄武信息科技有限公司), a limited liability company established under the laws of PRC, being a wholly-owned subsidiary of our Company
"Voicecomm Yilian"	Voicecomm Yilian (Shanghai) Software Technology Co., Ltd. (聲通一璉(上海)軟件科技有限公司), a limited liability company established under the laws of PRC, being a non wholly-owned subsidiary of our Company
"Voicecomm Yunxiu"	Sichuan Voicecomm Yunxiu Information Technology Co., Ltd. (四川聲通蘊秀信息科技有限公司), a limited liability company established under the laws of PRC, being an wholly-owned subsidiary of our Company

"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **White Form eIPO** Service Provider at **www.eipo.com.hk**
"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"Yuanya Information"	Shanghai Yuanya Information Technology Co., Ltd. (上海淵雅信息科技有限公司), a limited liability company established under the laws of PRC, being a non-wholly-owned subsidiary of our Company
"%"	per cent

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

For the purpose of this prospectus, references to "provinces" of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous regions

"5G"	the 5th generation mobile network, a new global wireless standard after 1G, 2G, 3G, and 4G networks
"AI"	artificial intelligence, simulation of human intelligence by machines
"AI empowerment computing center"	a computing center with AI supercomputing infrastructure and a large number of GPUs, to offer pre-trained AI models and produce new AI models
"AI model"	mathematical algorithms which can take unstructured data as input and transform them into informative outputs through its "intelligence", namely, the capability of perceiving the world, transcribing and organizing information, enhancing or generating contents, or making decisions
"algorithm"	a procedure or formula for solving a problem, based on conducting a sequence of specific actions, especially by a computer
"API"	application programming interface, a computer programming approach for facilitating exchange of information and executing instructions between different computer systems
"app" or "application"	application software designed to run on smartphones and other mobile devices
"architecture"	the structure under which an information system's hardware, software, data and communication capabilities are put together
"automatic speech recognition" or "ASR"	a technology that uses machine-learning algorithms to convert spoken language to computer-processable inputs, such as keystrokes, binary codes or character sequences
"CAGR"	compound annual growth rate, representing the year-over-year growth rate of a value over a specified period of time taking into account the effects of compounding and calculated by subtracting one from the result of dividing the ending value by its beginning value raised to the power of one divided by the period length

"carbon neutrality"	net zero carbon emissions, achieved through a transparent process of measuring emissions, reducing those emissions and offsetting residual emissions
"city-level autonomous driving"	autonomous driving that enables city-wide scheduling of vehicles, including city-wide coverage and compatibility with various vehicle types within the city
"cloud"	a network of remote servers hosted on the internet/intranet and used to store, manage, and process data in place of local servers or personal computers
"cloud-based"	applications, services or resources made available to users on demand via the internet from a cloud computing provider's servers with access to shared pools of configurable resources
"cloud computing"	the practice of storing computer data and programs on multiple servers that can be accessed through the internet
"computer telecommunications integration" or "CTI"	a set of technologies for integrating and managing computers and telecommunications systems
"computer vision AI"	a field of AI that enables cameras and computers to identify, track and measure images and videos in lieu of human eyes, through which it allows extraction of valuable information and data, and performance of tasks such as analyses and automation
"computing power"	the ability of a computer to perform an operation
"core conversational AI technologies"	conversational AI technologies necessary for realizing speech-based interactions between human beings and machines, such as automatic speech recognition, emotion recognition, natural language processing, natural language generation and text to speech
"COVID-19"	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
"CSTA"	computer-supported telecommunications applications, a protocol interface which enables the smart connection of computers and phone systems

"customer relationship management" or "CRM"	a strategy for managing an organization's relationships and interactions with customers and potential customers, including automatic analysis of sales and marketing strategies, and customer services, as well as implementations procedures
"deep learning"	a subset of AI and machine learning that mimics the working of biological neural systems such as human brains and uses multi-layered neural networks to deliver state-of-the-art accuracy in tasks such as object detection and recognition, speech recognition and natural language processing. Deep learning differs from traditional machine learning techniques in that it can automatically learn representations from data such as images, video or text, without introducing hand-coded rules or human domain knowledge. Its highly flexible architecture can learn directly from raw data and can increase its predictive accuracy when provided with some data
"digital human"	a human-like digital avatar that interacts with users naturally and vividly through dialogues, expressions and gestures
"eco-partners"	participants within the AI industrial value chain featured by increasing technology fusion for serving specific scenarios that can not only form reciprocal supplier-customer relationships between themselves, but also collaboratively develop technologies and expand market penetration by leveraging their respective strengths and/or resources in technology, service and/or commercialization, etc.
"emotion recognition"	the attribution of emotion states based on the observation of visual and auditory nonverbal cues
"end-customer industry(ies)"	an industry-based classification of our direct customers, i.e., the industry (i) that a system integrator primarily serves; or (ii) in which an enterprise-level user operates
"end users"	enterprise-level users that have used or may potentially use our solutions offered through system integrators as our customers

"enterprise-level users"	organizations (including corporations and government entities) that have used or may potentially use conversational AI solutions
"enterprise resource planning"	a business process management software that allows an organization to use a system of integrated applications to manage the business and digitalize back-office functions relating to technologies, services, and human resources
"ETC"	a wireless system to automatically collect the usage fee or toll charged to vehicles using toll roads, high-occupancy vehicle lanes, toll bridges and toll tunnels
"federated learning"	a decentralized approach to training machine learning models where the raw data on edge devices are used to train models locally without an exchange of data to global servers
"few-shot learning"	the practice of feeding a learning model with a very small amount of training data, in contrast to the practice of using a large amount of data
"gateway"	a computer system that conducts the conversion between two systems with different communication protocols, data formats or languages, or even completely different architectures
"GDP"	Gross Domestic Product
"GPU"	graphics processing unit, a specialized electronic circuit designed to rapidly manipulate and alter memory to accelerate the creation of images
"Hz"	hertz, a measurement of frequency
"IDC"	internet data centers, physical facilities that house data servers and other IT infrastructure
"image recognition"	a technology that uses computers to process, analyze and understand images in order to recognize targets in a variety of different patterns

"intelligent connective vehicle" or "ICV"	an emerging product accelerating cross-border integration and transformation in information and communication, the internet, big data, AI, and road transportation industries
"interactive voice response" or "IVR"	an automated voice system technology to provide or gather information from incoming callers via a voice response system, with pre-recorded or synthesized speech generated from text-to-speech technology, without having to speak to a human agent
"internet of vehicles" or "IoV"	a network of vehicles equipped with sensors, software, and the technologies that mediate between these with the aim of connecting and exchanging data over the Internet according to agreed standards
"IoT"	internet of things, the extension of internet connectivity into physical devices and everyday objects
"IP"	Internet Protocol, a set of rules for communication over the internet, with an IP address identifying a network or device on the internet
"ISCSLP"	International Symposium on Chinese Spoken Language Processing, a biennial conference for scientists, researchers, and practitioners to report and discuss the latest progress in all theoretical and technological aspects of spoken language processing. ISCSLP is the flagship conference of the Special Interest Group on Chinese Spoken Language Processing (SIG-CSLP)
"ISO"	International Organization for Standardization, an international standard-setting body composed of representatives from various national standards organizations
"IT"	information technology
"knowledge base"	a centralized repository of information designed to store complex structured data and capture the knowledge of human experts to support decision-making

"knowledge graphs"	a series of different graphics showing the process of knowledge development and structural relationships, describing subjects or concepts using visualization techniques, and containing multiple abilities to mine, analyze, construct, map and display knowledge and their interconnections
"large language model" or "LLM"	without formal definition and normally referring to a language model trained on large quantities of text data with billion-level or above parameters for general purposes, as opposed to models trained for accomplishing specific tasks
"low-code"	characteristics of a development environment used to create application software through a graphical user interface
"machine learning"	the scientific study of algorithms and statistical models that computer systems use to effectively perform specific tasks without being explicitly programmed to do so
"natural language processing" or "NLP"	a subfield of linguistics, computer science and AI primarily consisted of natural language understanding (NLU) and natural language generation (NLG) and concerned with the interactions between computers and human language, in particular how to program computers to process and analyze large amounts of natural language data
"office automation system"	also known as OA system, a system that enables to create, collect, store, manipulate and relay office information in a data storage system
"on-board unit"	a device installed in a vehicle for recording data for the vehicle and communication with specific devices installed in the ETC toll lanes by way of microwave signals. The on-board unit must be used in conjunction with the ETC card to allow non-stop drive through on the ETC lanes
"open-source"	a source code that is made freely available for possible modification and redistribution

"PC"	personal computer, a multi-purpose computer whose size, capabilities, and price make it feasible for individual use
"power usage effectiveness" or "PUE"	a metric used to determine the energy efficiency of a facility and is determined by dividing the total amount of power entering the facility by the power used to run the IT equipment within it
"public switched telephone network"	also known as PSTN, a generic term for a fixed network to which a cellular network is interconnected in order to be able to send and receive calls to and from fixed network subscribers
"R&D"	research and development
"reinforcement learning"	an area of machine learning concerned with how intelligent agents ought to take actions in an environment in order to maximize the notion of cumulative reward
"return on investment"	financial ratios used to calculate the benefit an investor will receive in relation to their investment cost
"roadside unit"	a special wireless communicating device located on the roadside that provides connectivity and information support to passing vehicles, including safety warnings and traffic information
"self-supervised learning"	a machine learning paradigm and corresponding methods, for processing unlabeled data and completing pretext tasks to obtain useful representations that can help with downstream learning tasks
"sensor"	a device, module, machine, or subsystem whose purpose is to detect events or changes in its environment and send the information to other electronics, frequently a computer processor
"SIP"	Session Initiation Protocol, a signaling protocol used for initiating, maintaining, and terminating communication sessions that include voice, video and messaging applications

"SMS"	short message service, a basic communication technology for mobile data transfer and is characterized by the exchange of short alphanumeric text messages between digital line and mobile devices
"softswitch"	also known as software switch, a call-switching node in a telecommunications network based in software instead of specialized switching hardware. It separates the call-control functions of a telephone call from the media gateways that carry it. It is the core communication component in a communication platform, which processes all calls taking place on the platform and performs key functions such as communication protocol processing, communication routing processing, and codec (coder/decoder) processing
"software development kits"	a set of tools used for developing applications provided by hardware and software providers
"TAPI"	telephony application programming interface, a set of standard application programming interfaces for connecting a computer to telephone services
"T-box"	also known as telematics box, an electronic device fitted to a vehicle to record and monitor the vehicle's performance
"text to speech" or "TTS"	a type of speech synthesis application that converts text into natural speech output
"time interval between failures"	the elapsed time between inherent failures of a mechanical or electronic system, during normal system operation
"total cost of ownership"	the purchase price of an asset plus the costs of operation
"transfer learning"	a research field in machine learning that focuses on storing knowledge gained while solving one problem and applying it to a different but related problem
"TSAPI"	telephony server application programming interface, a computer telecommunications integration standard that enables telephony and CTI application programming

"vehicle-to-everything" or "V2X"	communication between a vehicle and any object, such as road, traffic lights and roadside signals that may affect, or may be affected by, the vehicle
"video gateway"	a gateway that integrates core functions such as streaming protocol conversion, streaming distribution services, multi-channel video decoding, and video screen segmentation
"virtual reality"	the computer-generated simulation of a three-dimensional image or environment that can be interacted with in a seemingly real or physical way by a person using special electronic equipment, such as a helmet with a screen inside or gloves fitted with sensors
"voiceprint recognition"	a technology that identifies the speaker through acoustic features
"VoIP"	Voice over Internet Protocol, the category of hardware and software that enables people to make telephone calls via the Internet or IP networks, including phone to phone, phone to PC, PC to phone but excluding PC to PC communications and private network traffic. Voice signals are converted to packets of data, which are transmitted on shared public lines, hence avoiding the tolls of the traditional public switched telephone network

This prospectus contains certain forward-looking statements relating to our plans, objectives, beliefs, expectations, predictions and intentions, which are not historical facts and may not represent our overall performance for the periods of time to which such statements relate. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing the Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business strategies and plans to achieve these strategies;
- our future debt levels and capital needs;
- changes to the political and regulatory environment in the industry and markets in which we operate;
- our expectations with respect to our ability to acquire and maintain regulatory licenses or permits;
- changes in competitive conditions and our ability to compete under these conditions;
- future developments, trends and conditions in the industry and markets in which we operate;
- general economic, political and business conditions in the markets in which we operate;
- effects of the global financial markets and economic crisis;
- our financial conditions and performance;
- our dividend policy; and
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Additional factors that could cause actual performance or achievement to differ materially including but not limited to those discussed in "Risk Factors" and elsewhere in this prospectus. In some cases, we use the words "aim," "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and similar expressions to identify forward-looking statements. In particular, we use these forward-looking statements in the "Business" and "Financial Information" sections of this prospectus in relation to future events, our future financial, business or other performance and development, the future development of our industry and the future development of the general economy of our key markets.

We caution you not to place undue reliance on these forward-looking statements which are based on current plans and estimates, and speak only as of the date they were made. We undertake no obligation to update or revise any forward-looking statements in light of new information, future events or otherwise. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statements.

Our Directors confirm that the forward-looking statements are made after reasonable care and due consideration. Nonetheless, due to the risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect, or at all. Statements of or references to our intentions or those of any of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

Accordingly, you should not place undue reliance on any forward-looking statements in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

An investment in our H Shares involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to invest in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the market price of our H Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

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

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) key risks relating to our business, industry, regulatory compliance, general operations and financial prospects; (ii) risks relating to our business; (iii) risks relating to our industry; (iv) risks relating to regulatory compliance; (v) risks relating to our financial position and need for additional capital; (vi) risks relating to our general operations; and (vii) risks relating to the Global Offering. Additional risks and uncertainties that are presently not known to us or that we currently deem immaterial could also have a material adverse effect on our business, financial condition and results of operations. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section.

KEY RISKS RELATING TO OUR BUSINESS, INDUSTRY, REGULATORY COMPLIANCE, GENERAL OPERATIONS AND FINANCIAL PROSPECTS

We are subject to credit risk related to defaults of customers as our trade receivables balance and trade receivables turnover days increased significantly during the Track Record Period, and any significant delay in payment or default on our trade receivables could materially and adversely affect our liquidity, working capital, financial condition and results of operations.

We are exposed to credit risk related to delays in payments and defaults of our customers. As of December 31, 2021, 2022 and 2023, our trade and other receivables amounted to RMB242.8 million, RMB339.7 million and RMB602.7 million, respectively, in which our trade receivables amounted to RMB248.1 million, RMB379.1 million and RMB704.7 million, respectively, with loss allowance thereon amounting to RMB32.4 million, RMB66.5 million and RMB121.9 million, respectively. Moreover, our trade receivables turnover days increased significantly during the Track Record Period, from 137 days in 2021 to 222 days in 2022, and further to 243 days in 2023. Such increase was primarily due to the fact that COVID-19 had extended the period over which we used to collect our trade receivables, especially in 2022. Also, the macro-economic conditions and weakened financial conditions of our customers/enterprise-level users affected by COVID-19 further temporarily prevented them from making payment timely to us even in the aftermath of the pandemic. Moreover, our solutions had been increasingly offered via large-scale projects to end customers from the public sector that features solid credit status yet a long payment cycle with respect to such projects because of their internal financial management and payment approval processes.

We may not be able to timely collect all such trade receivables due to a variety of factors that are beyond our control, including the long payment cycle associated with end users from the public sector because of their internal financial management and payment approval processes. Our exposure to such trade receivables recoverability issue would especially be more pronounced if the financial condition of enterprises or entities from the public sector, to whom our solutions were substantially offered during the Track Record Period, would deteriorate in the case of a combination of factors such as local governments' significant debt obligations and diminished tax and other revenues, as well as uncertain availability of financing vehicles therefor.

If any of our customers experience financial difficulties in settling our trade receivables, or if the relationship between us and any of our customers is terminated or deteriorates, our corresponding trade receivables might be adversely affected in terms of recoverability. As the increase of the amount of provisions made on our trade receivables are recorded as expenses on our consolidated statements of profit or loss, if we are not able to manage the credit risk associated with our trade receivables effectively, our financial condition and results of operations may be materially and adversely affected. Furthermore, substantial defaults or delays by our customers for making payments could materially and adversely affect our cash flow and we may have to terminate our relationships with such customers. In the worst-case scenario if the abovementioned microeconomic factors would ever and indeed materialize, a double squeeze of much higher write-off of trade receivables and slower cash inflows could quickly and significantly strain our working capital in the short term, which might bring various challenges to our business operations, including: (i) sizeable cash flow gaps that might necessitate expensive bridge financing; (ii) cost overruns on existing projects and inability to fund upfront costs of implementing new projects; (iii) workforce shrinkage impacting our service capabilities; (iv) defaults in debt repayments and inability to obtain new borrowings; and (v) loss of credibility with customers, suppliers, lenders and other partners in a vicious cycle that would ultimately threaten our solvency. In addition, we had net loss for the year 2022 and 2023 and net cash flows used in operating activities during the Track Record Period. Significant amount of trade receivables may make us continue to have net losses and net cash outflows from operating activities in the future. For details, see "– Risks Relating to Our Financial Position and Need for Additional Capital – We had net loss for the year 2022 and 2023 and net cash flows used in operating activities during the Track Record Period, and may need to obtain additional financing to fund our operations, which may cause dilution to our Shareholders and restrict our operations, and we may not be able to obtain additional financing on favorable terms or at all" in this section.

As our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection and generative AI services, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences.

In recent years, privacy and data protection has become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies on privacy and data protection in the past few years, to which our business may be subject. For example, on June 10, 2021, the Standing Committee of the National People's Congress (the "**SCNPC**") promulgated the *PRC Data Security Law* (《中華人民共和國數據安全法》), which came into effect on September 1, 2021. The *PRC Data Security Law* stipulates data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, and the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data are tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which may affect national security as well as regulates the export of certain data and information. On August 20, 2021, the SCNPC issued the *PRC Personal Information Protection Law* (《中華人民共和國個人信息保護法》), coming into effect on November 1, 2021, which reiterates the circumstances under which a personal information processor could process personal information and the requirements thereunder. The *PRC Personal Information Protection Law* clarifies the scope of application, the definition of personal information and sensitive personal information, the legal basis of personal information processing and the basic requirements of notice and consent.

As the regulatory requirements on privacy and data protection are relatively new and complex, and may therefore continue to evolve, we cannot assure you that our privacy and data protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the effectiveness of our privacy and data protection measures is also subject to system failures, interruptions, inadequacy, security breaches or cyberattacks. In addition, as the enterprises that we serve expand their footprints globally, they may leverage our solutions in other countries or territories outside the PRC, which may thus subject us to laws and regulations regarding privacy and data protection in such jurisdictions. Any failure or perceived failure by us to comply with applicable laws and regulations on privacy and data protection may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, fines and penalties, adverse publicity or potential loss of business, which could damage our reputation, deter current and potential customers or end users from using our solutions and subject us to significant legal, financial and operational consequences.

On November 14, 2021, the CAC released the *Network Data Security Management Regulations (Draft for Comment)* (the "**Draft Regulations**") (《網絡數據安全管理條例(徵求意見稿)》). The Draft Regulations stipulate several requirements for entities who process data through the use of networks, including that data processors shall (i) be responsible for the security of the data it processed and shall undertake data protection obligations; and (ii) establish comprehensive data protection system and technical protection mechanism. As of the Latest Practicable Date, the Draft Regulations had only been released for consultation purposes, and some of the requirements under the Draft Regulations were subject to more specific implementing rules, so its final content, anticipated adoption or effective date, final interpretation and implementation, and other aspects may continue to evolve. As such, we cannot predict the impact of these draft measures, if any, at this stage, and will closely monitor and assess any development in the rule-making process. On December 28, 2021, the CAC and 12 other relevant PRC government authorities published the amended *Cybersecurity Review Measures* (《網絡安全審查辦法》), which became effective on February 15, 2022, and superseded and replaced the *Cybersecurity Review Measures* previously promulgated on April 13, 2020. The *Cybersecurity Review Measures* provide that cybersecurity review shall be conducted with respect to (i) critical information infrastructure operators purchasing network products and services; and (ii) internet platform operators carrying out data processing activities in a manner which affects or may affect national security. In addition, the relevant governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. There can be no assurance that we will not be required to follow the cybersecurity review procedures, and if so, whether we would be able to complete the applicable cybersecurity review procedures in a timely manner, or at all.

In addition, some provisions under certain laws and regulations still remain at the principle level and lack specific interpretation up to date, especially to a specific case scenario. Nevertheless, failure to comply with the cybersecurity requirements in a timely manner, or at all, may result in reputational damages and subject us to government enforcement actions and investigations, fines, penalties, suspension of our non-compliant operations, and revocation of relevant business permits or licenses, among other sanctions, which could materially and adversely affect our business and results of operations.

These and other similar legal and regulatory developments could lead to legal and economic uncertainties, affect how we design our solutions, how we operate our business, as well as how we process data, which could negatively impact demand for our solutions. For example, on July 10, 2023, the CAC and other six ministries jointly published the *Interim Administrative Measures on Generative AI Services* (the "**Interim Measures on GAI**") (《生成式人工智能服務管理暫行辦法》), effective on August 15, 2023, which apply to the provision of generated contents such as texts, images, audios and videos to the public within the territory of China by utilizing generative AI technologies ("**GAI Services**"). The Interim Measures on GAI, among other things, (i) set forth principles for provision and use of GAI Services; (ii) impose various obligations for the provider of GAI Services, from protection of users' personal information to content monitoring and filtering; (iii) provide specific requirements for the data training activities such as pre-training and fine-tuning; and (iv) require the providers of GAI Services to conduct security assessment for provision of GAI Services with public opinion attributes or social mobilization capabilities and file for records with the CAC. On the basis that our solutions are only provided to institution users, our PRC Legal Adviser is of the view that our current businesses do not fall into the scope of provision of GAI Services to the public and thus the Interim Measures on GAI do not apply to our current businesses. For details, see "Summary – Recent Development – Regulatory Update – Recent Regulatory Update Relating to Data Privacy, Cybersecurity and Generative AI Services – Interim Administrative Measures on Generative AI Services (the 'Interim Measures on GAI')" in this prospectus. Nevertheless, there can be no assurance that the relevant authorities will not subject our business operations to the ambit of the Interim Measures on GAI, and require us to apply for security assessment or complete the filing, change or deregistration formalities of algorithms, among others.

We expect that there may continue to be newly proposed laws, rules, regulations and industry standards concerning cybersecurity, privacy and data protection and GAI Services. As a result, we may be required to upgrade or adjust our solutions to ensure continuous compliance. However, the relevant developments in regulatory requirements and standards may increase our costs of compliance, delay or reduce demand for our solutions, and affect the way in which we operate, any of which could harm our business, financial condition and results of operations.

As the industry in which we operate is highly competitive, our results of operations could be harmed if we do not effectively compete against our current or future competitor, which may particularly include major technology giants and cloud service companies.

The industry in which we operate is relatively new, rapidly evolving and highly competitive. We face competitions in various aspects of our business, including, among others, the comprehensiveness and adaptability of solutions, brand recognition, ability to continuously innovate solutions, and expertise based upon different end-customer industries in developing industry-specific solutions. We face competitions from other companies that have transitioned from communication technology services to AI research and development and thus have full-stack service capabilities, traditional communication technology service companies, intelligent speech and semantic companies, and general AI companies. Moreover, technology giants or cloud service companies with extensive technological accumulations, substantial resources and greater brand power could swiftly enter into or further expand in the industry in which we operate to compete with us. For details, see "Industry Overview – Market of IT Solutions Empowered by Conversational AI & UC in China – Market of Full-Stack Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China – Competitive Landscape" in this prospectus. Some of our competitors can devote significantly greater resources than we can to the development, promotion and sales of their products, services and/or solutions, and have the ability to initiate or withstand substantial price competition. Our competitors may also have longer corporate operating history, or have or in the future gain more financial resources and sophisticated technological capabilities, as well as broader customer base and relationships than us. Furthermore, our current or potential competitors may be acquired by third parties with significantly greater resources and therefore gain competitive advantages. Additionally, our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their product offerings or resources and ability to compete. Last but not least, as we expand into new technological areas and end-customer industries, the basis for competition will be different and we are likely to face additional competitors. By contrast, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulatory requirements or user demand than us.

With the introduction of new technologies and entry of new market participants who may offer lower prices or new technologies and products, we expect the competitions to continue to intensify in the future. If we fail to predict the right combination of market and technologies and our competitors' products, services and/or solutions become more accepted than ours, if they are successful in bringing their products, services and/or solutions to market earlier than ours, or if their products, services and/or solutions are less expensive or more technologically capable than ours, our competitive position could be harmed, which may result in lower sales, price reductions and reduced margins. Further, we may be compelled to make substantial additional investments in research and development, marketing and sales, recruiting and retaining innovative talents, and acquiring technologies complementary to, or necessary for, our current and future solutions in order to respond to such competitive threats, and we cannot assure you that such endeavors will be successful. If we are unable to differentiate ourselves in the intense competitions, or if competing successfully requires us to take costly actions in response to the actions of our competitors, we may not be able to retain existing customers or attract new customers, which will materially and adversely affect our results of operations.

If we fail to continuously develop and innovate our solutions to meet enterprise-level users' evolving needs, our business, financial condition and results of operations may be materially and adversely affected.

Our business growth relies on our ability to retain existing customers, attract new customers, and increase sales to both new and existing customers, which depends essentially on our ability to provide advanced solutions that meet enterprise-level users' evolving needs at competitive prices and our continuous improvement and enhancement of the functionality, performance, reliability, design, security and adaptability of our solutions. However, we may experience difficulties in developing new technologies as it is costly and time-consuming, which in turn could delay or prevent the development, enhancement, introduction or implementation of any new solutions. Specifically, in order to enhance the performance of our solutions and improve our AI technological capabilities in the future, we may need to expand our computing power from time to time as we grow, and may therefore be in need of additional sites, infrastructure, facilities and equipment to support such computing power expansion through capital expenditures or procurement of third-party services. However, we may not always be able to identify such sites, infrastructure, facilities or equipment at acceptable prices and in a timely manner, or at all. If we are unable to do so, our computing power expansion plans could suffer, which would negatively impact our business operations and prospects. Even if we are able to identify such sites, infrastructure, facilities and equipment, it may put a strain on our financial resources and divert the attention of our management. As we have been and will continue expanding our customer base and diversifying end-customer industries that we cover, to the extent we are not able to provide solutions that meet users' requirements, or we are not able to improve and enhance the functionality, performance, reliability, design, security and adaptability of our solutions in a manner that responds to users' evolving needs, our existing customers may not spend more on our solutions and we may not be able to attract new customers. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Any flaws or misuse of conversational AI technologies, whether actual or perceived, intended or inadvertent, committed by us or third parties, could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects.

Conversational AI technologies are still at preliminary stages of development and will continue to evolve. Flaws or deficiencies in conversational AI technologies could undermine the accuracy and thoroughness of the decisions and analyses made by the relevant products, services or solutions. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies with our conversational AI technologies in a timely manner, or at all. Any flaws or deficiencies in our conversational AI technologies, whether actual or perceived, could result in competitive disadvantages, potential legal liabilities, and reputational damages. Moreover, insufficient, low-quality or inaccurate data could materially affect the performance of our solutions. The information available to us, our customers or end users may be limited, and we cannot ensure the accuracy and timeliness of the various sources of data used for various reasons. In such events, our solutions may not be able to generate satisfactory results. Consequently, there may be negative conceptions about our solutions, which could adversely affect our business and reputation.

Similar to many innovations, conversational AI technologies present social and ethical risks and challenges, such as potential misuse by third parties for inappropriate purposes or biased applications that could affect user perception and public opinion. Any inappropriate, abusive or premature usage of conversational AI technologies, whether actual or perceived, intended or inadvertent, committed by us or third parties, may dissuade prospective users from adopting conversational AI services or solutions, impair the general acceptance of conversational AI technologies by the society, attract negative publicity and adversely impact our reputation, and affect views of policymakers and regulators. It may even violate applicable laws and regulations in jurisdictions where we operate and subject us to legal or administrative proceedings, pressures from activists and/or other organizations and heightened regulatory scrutiny. Each of the foregoing events may in turn materially and adversely affect our reputation, business, financial condition, results of operations and prospects.

We may be subject to product liability claims or negative publicity if our solutions contain or are perceived to contain defects, which may damage our reputation and negatively affect our business, financial condition and results of operations.

The technologies underlying our solutions are inherently complex and may contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when new features or capabilities are released or when integrated with new or updated third-party hardware or software. In particular, the source of interruptions that our solutions may experience, which could be caused by our solutions themselves, the products or services of our third-party vendors, or equipment and networks of our customers or end users, may be difficult to identify. Therefore, we may not be able to successfully correct serious errors, defects, security vulnerabilities or software issues in a timely and cost-effective manner, or at all.

Given that many customers or end users use our solutions in processes that are critical to their businesses, any error, defect, security vulnerability or software issue in our solutions could result in their losses. As a result, our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. In addition to incurring significant expenses to remediate such defects, product liability claims or legal proceedings may be brought against us. Even if unsuccessful, a claim brought against us by any of our customers would likely be time-consuming and result in funds and managerial efforts in defending thereagainst. In addition, our customers or end users may share information about their negative experiences publicly, which could damage our reputation and result in a loss of future sales. Any of the foregoing could result in revenue loss, significant expenditures of capital, and a delay or loss in market acceptance, therefore having an adverse effect on our business, financial condition and results of operations.

We derived a significant portion of revenue from our intelligent town project in Chengdu during the Track Record Period.

During the Track Record Period, we derived a significant portion of our revenue from our intelligent town project in Chengdu, a municipal-level project entailing the establishment of a digitalized technological infrastructure for an intelligent town cluster where the administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one public service platform. Our revenue generated from the project, i.e., Project No. 6, one of our top projects in terms of contract sum and revenue contribution during the Track Record Period, contributed 26.4%, 24.9% and 16.6% of our total revenue in 2021, 2022 and 2023, respectively. Comparatively, the other projects we engaged during the Track Record Period were smaller in scale. Our revenue under the project was derived from a group of local system integrators and enterprise-level users. Based upon the term of the contract with the latest expiration date among the ongoing agreements that we entered into therewith as of the Latest Practicable Date, the project is expected to be completed on November 11, 2025. For details of the project and the solutions we offered therefor, see “Business – Our Project – Top Projects” and “Business – Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent

Town Project in Chengdu" in this prospectus. We cannot guarantee that our current contracts under the project 6 will not be terminated early due to reasons out of our control, or that we will be able to continue to maintain our relationships with our customers under such project after current contracts expire, the failure of which will render us unable to derive any business and revenue from them in the future. In such case, we may not be able to maintain our revenue scale or growth if we are not able to secure new customers which, individually or in aggregate, have comparable revenue contribution capacity, and our business, financial performance and results of operations may be materially and adversely affected.

Our historical growth may not be indicative of our future performance, and any failure to effectively manage our growth could materially and adversely affect our business, financial condition and results of operations.

We achieved significant growth during the Track Record Period, as our revenue increased from RMB459.9 million in 2021 to RMB515.0 million in 2022, and further to RMB813.0 million in 2023 at a CAGR of 33.0% from 2021 to 2023. Meanwhile, our gross profit increased from RMB152.2 million in 2021 to RMB201.5 million in 2022, and further to RMB325.4 million in 2023 at a CAGR of 46.2% from 2021 to 2023. However, our historical growth may not be indicative of our future performance. We cannot assure you that this level of significant growth will be sustainable or achievable in the future for various reasons. Specifically, our growth prospects depend on a number of factors, including but not limited to, our ability to continuously:

- maintain and upgrade our technology infrastructure, and develop new technologies;
- further commercialize our solutions;
- expand the features and capabilities of our solutions;
- identify appropriate sites, infrastructure, facilities and equipment to support our computing power expansion plans;
- attract new customers and retain existing ones;
- successfully complete and deliver our existing projects to the satisfaction of our customers and/or end users, as well as identify, develop and acquire new project opportunities;
- achieve widespread acceptance and use of our solutions;
- provide effective and timely customer support;
- maintain the security and reliability of our solutions;

- expand our sales force adequately and increase our brand awareness through marketing and promotional activities;

- attract, retain and motivate key employees, including research and development talents as well as staff with in-depth industry know-how;

- price our solutions effectively without compromising our profitability;

- successfully compete against established companies and new market entrants;

- expand into new end-customer industries and launch new solutions;

- further expand our business internationally;

- comply with existing and newly enacted applicable laws, regulations and governmental policies; and

- defend ourselves against litigations and regulatory, intellectual property, privacy, data protection or other claims.

If we are unable to accomplish any one of these goals, our revenue growth may be harmed. Further, all of the aforementioned endeavors will require significant capital expenditures, research and development expenses, operating expenses, and allocation of valuable management and employee resources. If our revenue does not increase sufficiently to offset such expenditures, we may not be able to achieve or maintain profitability.

Our growth may also decline due to a variety of risks and uncertainties frequently experienced by growing companies in rapidly evolving industries that we may encounter in the future but not be able to address successfully. Moreover, expansion in new businesses may increase the complexity of our operations and place a significant strain on our managerial, operational, financial and human resources. We cannot assure you that we will be able to effectively manage our growth or to implement all such business systems, operation procedures and control measures effectively, which could hamper our growth and materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO OUR BUSINESS

If we are not successful in maintaining and expanding the compatibility of our solutions with a variety of hardware platforms and software applications developed by others, we may become less competitive and our results of operations may be adversely affected.

The competitive position of our solutions depends in part on their ability to operate with a variety of hardware platforms and software applications developed by third parties. As we intend to integrate additional communication channels into our systems and make our solutions available across a variety of IT systems, devices and platforms that we do not control, the compatibility therewith is critical to the performance of our solutions. In recent years, smart devices including mobile phones, tablets, wearable devices and other IoT devices have gained increasing popularity. We expect this trend of technological developments to continue as more advanced mobile communication technologies are broadly implemented. IT systems deployed by customers or end users are also diversified and vary from each other. As such, we must continuously modify and enhance our solutions to adapt to changes in hardware, software, networking, browser, and database technologies.

However, changes to technologies used in our solutions or hardware platforms and/or software applications that we intend to integrate may make it difficult for our customers or end users to access our solutions. For instance, in the future, one or more technology companies may choose not to support the operation of their hardware, software, or infrastructure that our technologies are compatible with, or our technologies may not support the capabilities needed to operate with such hardware, software, or infrastructure. Moreover, if a third party were to develop software, products or services that compete with ours, such third party may choose not to support one or more of our technologies. As a result, failure to ensure compatibility of our solutions with third-party hardware platforms and software applications may negatively affect our competitive edge, reduce the demand for our solutions, and result in user dissatisfaction, which could harm our results of operations.

Any failure to offer high-quality maintenance services and technical support may harm our relationships with our customers and/or end users and thus materially and adversely affect our business and results of operations.

Our business depends on our ability to satisfy our customers and/or end users, not only with respect to our solutions but also the maintenance services and technical support that are performed to enable them to implement and use our solutions in order to address their business needs. As we continue to grow our operations and support our customer base, we need to be able to continue to provide effective maintenance services and efficient technical support at scale. Any return, exchange and warranty policies that we adopt from time to time to improve their experience and promote customer loyalty could nevertheless subject us to additional costs and expenses which we may not recoup through increased revenue. If we revise these policies to reduce our costs and expenses, however, our customers may be dissatisfied, which may result in loss of existing customers or failure to acquire new customers at a desirable pace. Also, if we experience increased demand for maintenance services and technical support, we may face increased costs and not be able to recruit or retain sufficient qualified support personnel with experiences in such supporting performance. As a result, we may be unable to respond quickly enough to accommodate short-term increases in demand for maintenance services and technical support. In addition, we also may be unable to modify the future scope and delivery of our maintenance services and technical support to align with changes in that provided by our competitors.

If our customers and/or end users are not satisfied with the deployment and ongoing services performed by us, the demand for which may increase continuously, we could lose our customers, miss opportunities to expand our business with such customers, incur additional costs, and lose, or suffer reduced margins on, our revenue. In addition, negative publicity related to our maintenance services and technical support, regardless of its accuracy, may further damage our business and results of operations by affecting our ability to compete for new businesses.

Our business depends substantially on continuing efforts of our senior management, core technical personnel and other key staff, as well as a competent pool of talents supporting our existing operations and future growth. If we are unable to retain, attract, recruit and train such personnel, our business and future prospects may be materially and adversely affected.

Our future success depends substantially on continuing efforts of our senior management, core technical personnel and other key staff. In particular, we rely on the expertise, experience and vision of our leadership team in the areas of research and development, marketing and sales as well as other functions, and other key individual contributors. If any senior member of our management becomes unable or unwilling to continue to contribute his/her services to us, we may not be able to find replacement easily, or at all. As a result, our business may be severely disrupted, and our financial condition and results of operations may be materially and adversely affected.

To execute our growth plan, we must also retain, attract, recruit and train a considerable number of qualified personnel. Competitions for these personnel are intense, and we expect to continue to experience difficulties in hiring and retaining employees with appropriate qualifications. In order to compete for talents, we may need to offer higher compensation, better trainings, more attractive career opportunities and other benefits to our employees, which may be costly and burdensome. Also, many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from our competitors or other companies, such competitors or former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources and potential damages. In addition, our investments of significant time and expenses in training our employees increase their value to competitors who may seek to recruit them. Furthermore, any disputes or legal proceedings between us and our employees or any labor-related regulatory authorities may divert our management and financial resources, negatively impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. Last but not least, our ability to train and integrate new employees into our operations may not meet the demand for our growing business. Any of the above issues related to our workforce may materially and adversely affect our business and future prospects.

Our business is subject to system and data security risks, and our technology infrastructure may experience unexpected system failures, interruptions, inadequacy, security breaches or cyberattacks, which may harm our reputation, business and results of operations.

Nowadays, cyberattacks, distributed denial of service attacks, hacking and phishing attacks, security breaches, computer malware and other malicious internet-based activities continue to increase. Our business is at risk of similar attacks and breaches. We cannot assure you that our relevant defense measures are, or will be, adequate to prevent any of such attacks or breaches and protect us from any network or service interruptions, system failures or data losses. We may not be able to anticipate or prevent all techniques that could be used to obtain unauthorized access or to compromise our systems because such techniques change frequently and are generally not recognizable until after an incident has occurred.

In addition, our technology infrastructure may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. Our technology infrastructure may also be vulnerable to damages or interruptions caused by telecommunication failures, power losses, human errors, fires, floods, earthquakes and other natural disasters, or other accidents. Despite any precautionary measures we will take, the occurrence of unanticipated problems that affect our technology infrastructure could result in interruptions in the availability or performance of our solutions.

As we cannot be certain that we will be able to address or respond to any vulnerabilities in our software systems and technology infrastructure in a timely manner, or at all, any of the aforementioned risks may cause interruptions to our operations, affect the ability of customers or end users to use our solutions and reduce their satisfaction, harm our revenue and profitability, and require us to allocate significant capital and other resources to alleviate problems caused thereby. Moreover, security or technology infrastructure related incidents experienced by us, or by others such as our competitors, customers or end users, may lead to public disclosures and widespread negative publicity against us, our customers or end users, or the industry in which we operate generally. Concerns regarding information security may thus cause our existing customers to lose confidence in the security of our solutions, stop using or promoting our solutions and decline to renew their agreements with us, which will make it harder for us to acquire new customers and further affect our business, financial condition and results of operations. In addition, security breaches or unauthorized access to confidential information could subject us to legal or regulatory actions and liabilities under laws and regulations on privacy and data protection. For details, see "– Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences" in this section.

A substantial portion of our business depends on sales to the public sector. Developments in government policies in respect of, and government spending on, conversational AI products, services and/or solutions may negatively affect our business, financial condition and results of operations.

During the Track Record Period, portions of our business depend on sales to the public sector. Sales to the public sector can be expensive and time-consuming, and require significant upfront time and expenses without any assurance that these efforts will generate a sale. Moreover, government spending and the decision-making process are contingent upon various factors that are not necessarily related to the features of our solutions and are subject to changes beyond our control, such as the future growth of urban population or amendments in government's fiscal policy. There is no assurance that government spending that relates to our business will continue to grow or remain at the current level. Accordingly, our business, financial condition and results of operations may be adversely affected by certain events or activities, including, but not limited to:

- changes in governmental fiscal or procurement procedures or decreases in available government spending;
- changes in policies or priorities and resultant funding;
- changes in the government's assessment of the capabilities that we offer;
- long payment cycle as required by the government's internal financial management and payment approval processes;
- appeals, disputes, or litigations relating to governmental procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts granted to us or our business partners by the government;
- additional selection processes administered by the system integrators engaged;
- the adoption of new laws or regulations or developments in existing laws or regulations;
- budgetary constraints, including constraints imposed by any lapses in appropriations for the governments or certain of their departments and agencies;
- influences by, or competitions from, third parties with respect to existing, pending or new contracts with governmental or public sector customers; and
- potential delays or changes in the government appropriations, including as a result of incidents of natural disasters or epidemics and public health concerns.

Any such event or activity, among others, could cause governmental and public sector customers to delay or refrain from purchasing our solutions in the future, reduce the size or payment amounts from existing or new governmental or public sector customers, or otherwise have an adverse effect on our business, financial condition and results of operations.

Moreover, our growth in a broader sense depends in part on favorable government policies in respect of the industry in which we operate and on conversational AI products, services and/or solutions. However, such policies may be subject to developments that are beyond our control, and there can be no assurance that government policies favorable to us will continue. Developments in such policies may have a material adverse impact on our business, financial condition and results of operations.

Our sales to system integrators could potentially subject us to risks relating to delays in collecting trade receivables, which may adversely impact our liquidity, financial condition and results of operations.

During the Track Record Period, we generated a significant percentage of revenue from offering our solutions to system integrators that embedded our solutions into their offerings to enterprise-level users. For details, see "Business – Our Revenue Model" and "– Customers and Customer Support" in this prospectus. This business arrangement introduces inherent risks related to delays in collecting trade receivables as system integrators may prioritize settling payments from their end customers before making payments to us as their upstream suppliers, thereby temporarily impacting our liquidity, financial condition and results of operations. Despite our efforts to mitigate these risks, there can be no assurance that our measures will always be effective in managing trade receivables collection and working capital challenges. Unforeseen disruptions, macro-economic condition fluctuations, or systemic payment delays within the value chain compounded by our business arrangement with system integrators could adversely our ability to effectively manage our trade receivables collection. For details of risks relating to our trade receivables balance and trade receivables turnover days that increased significantly during the Track Record Period, see "– Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – We are subject to credit risk related to defaults of customers as our trade receivables balance and trade receivables turnover days increased significantly during the Track Record Period, and any significant default on our trade receivables could materially and adversely affect our liquidity, financial condition and results of operations" in this section.

If our expansion into new end-customer industries or attempt to upgrade our solutions is unsuccessful, our business and growth prospects may be materially and adversely affected.

Leveraging our conversational AI technologies, we are able to provide innovative solutions designed to address diversified needs of enterprise-level users across different end-customer industries. We cannot assure you that we will be able to continuously expand into new end-customer industries or develop new solutions in the future. Expanding offering categories into new areas involves new risks and challenges. Our lack of familiarity with new end-customer industries may make it more difficult for us to keep pace with the evolving user demand and preferences. In addition, there may be one or more existing market leaders in any end-customer industry in which we decide to expand, and such companies may be able to compete more effectively than us by leveraging their experiences in doing business in that market as well as their deeper industry insights and greater brand recognition among users therein. We may also be required to develop new business relationships and capabilities, and comply with new laws and regulations applicable to these businesses. Moreover, expansion into any new end-customer industry and development of new solutions may place a significant strain on our management and resources, and cause us to incur substantial research and development and other costs and expenses before generating any revenues. Any failure to expand successfully could have a material adverse effect on our business and growth prospects.

We may fail to effectively implement our future expansion and acquisition plans, which may have a material adverse effect on our business, reputation, financial condition and results of operations.

We have made investments and acquisitions in recent years, such as our acquisitions of Yuanya Information and Jinxun Digital Intelligence. For details, see "History, Development and Corporate Structure – Acquisitions During the Track Record Period" in this prospectus. We may in the future evaluate and consider a wide array of acquisitions and investments that we believe are complementary to our growth strategies, particularly those that can help us enrich our solution offerings, enhance our technologies, and expand our customer base. Acquisition processes involve certain known and unknown risks that could impose significant challenges, including but not limited to that:

- we may not be able to identify suitable acquisition candidates or to consummate acquisitions on acceptable terms in a timely and cost-effective manner, or at all;
- we may compete with others to acquire complementary businesses and technologies, which could result in decreased availability of, or increased price for, suitable acquisition candidates;
- we may not be able to obtain the necessary financing on favorable terms, or at all, to finance any or all of our potential acquisitions;

- our results of operations may be harmed due to dilutive issuances of equity securities, the use of our available cash or incurrence of debts; and

- our acquisition activities may be subject to various laws, rules and regulations, including that on antitrust and competition, of the countries in connection with any proposed acquisitions.

Even if a planned acquisition were consummated, we might not be able to achieve the anticipated benefits or synergies from our acquired businesses due to a number of factors, including but not limited:

- difficulties in integrating the acquired personnel, products and/or solutions, operations and technologies, or effectively managing the combined business following the acquisition;

- unanticipated costs or liabilities associated with the acquisition that may adversely affect us following the acquisition;

- for investments over which we do not obtain management and operational control, lack of influence over the controlling partners or shareholders, which may prevent us from achieving our strategic goals in such investments;

- new regulatory requirements and compliance risks that we become subject to as a result of investments or acquisitions in new industries;

- actual or alleged misconduct or non-compliance by the acquired company (or by its affiliates) that occurred prior to our acquisition, which may lead to negative publicity, government inquiries or investigations against such company or us;

- difficulties in converting the customers of the acquired business to our solutions due to disparities in the business model of the acquired company;

- potential issues with the technologies, internal controls and financial reporting of the acquired company;

- increased operating costs and expenses;

- disruptions of our ongoing business and diversion of management's attention from other business concerns;

- harm to our existing relationships with our business partners as a result of the acquisition;

- the occurrence of significant goodwill impairment charges and amortization expenses for other intangible assets;

- the loss of our or the acquired business's key employees and established customer relationships; and

- diversion of resources that could have been more effectively deployed in other parts of our business.

Any negative developments described above could disrupt our existing business and have a material adverse effect on our business, reputation, financial condition and results of operations.

If we are unable to manage the risks related to our expansion in international markets, which involves various technical and regulatory risks and uncertainties, our business, financial results and prospects may be adversely impacted.

As we may explore business opportunities in overseas markets and regions, our international operations and expansion efforts may result in allocation of significant resources and management attention, and subject us to intellectual property, regulatory, economic and political risks and uncertainties that are different from those in the PRC. As we increase our international sales efforts, the various risks and uncertainties that we may face include but are not limited to:

- the need to localize and adapt our solutions for specific countries, including translation into foreign languages and the associated costs and expenses;

- difficulties in staffing and managing foreign operations, particularly in hiring and training qualified sales and service personnel;

- different pricing environments, potentially longer sales and accounts receivable payment cycles and collections issues;

- challenges in commercializing our solutions in new markets where we have limited experiences with the local market dynamics and no existing or developed sales, distribution and marketing infrastructure;

- new and different sources of competitions;

- general economic conditions and political instability in international markets and the unexpected changes thereof;

- fluctuations in between the value of Renminbi and foreign currencies, which may make our solutions more expensive in other countries or may impact our results of operations when our revenue are translated into Renminbi;

- compliance challenges related to the complexity of conflicting and changing territorial and trans-jurisdictional laws and regulations, including that on privacy and data protection, employment, tax and telecommunications, and obtaining the necessary licenses, permits and approvals;

- weaker protection for intellectual property and other legal rights, and practical difficulties in enforcing or defending against claims thereof;

- increased risk of international telecom fraud;

- laws and business practices favoring local competitors; and

- increased financial accounting and reporting burdens and complexities.

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

Failure to expand our sales and marketing capabilities could limit the number of customers we serve and the spending by our customers, and materially and adversely affect our ability to grow and expand.

Our ability to increase our customer base and achieve broader market acceptance of our solutions will depend to a considerable extent on our ability to expand our sales and marketing capabilities. As our business grows, we may need to strengthen our sales and system integration capabilities by expanding our direct sales teams, providing more training opportunities and upgrading our sales management system. Our business may be harmed if we fail to retain key members of our direct sales force or if our efforts, and the expenses incurred, to retain, expand and train our direct sales force do not generate a corresponding increase in revenue. In addition, our sustained success also requires continued efforts to develop and maintain stable relationships with third-party solution business partners and increasing the sales opportunities that they refer to us. If we fail to do so, or if they are not successful in their sales efforts, we may be unable to grow and expand our business, and our results of operations and financial condition could be materially and adversely affected.

If we fail to retain existing customers, attract new customers or increase the spending by our customers, our business and results of operations could be materially and adversely affected.

We may not be able to effectively retain our customers after the initial sale, and there is no assurance that our customers will repurchase from us within a short period of time, or at all. As the industry in which we operate matures, or as our competitors introduce less costly and/or differentiated products, services and/or solutions that are perceived to compete favorably against ours, our ability to attract new customers and retain or upsell existing customers could be impaired. There can be no assurance that we will always be able to renew our agreements with existing customers, attract new customers or develop new business from existing customers. In particular, if we lose any of our key customers or if such customers reduce their purchase of our solutions, our business, results of operations and financial condition could be significantly impacted.

It may not be possible for us to predict the level of demand of our customers for our solutions, which may be affected by a combination of factors beyond our control. For instance, our customers may not be able to sustain or grow their business operations and may as a result cancel or reduce their purchase of our solutions. Our revenue from customers in a particular industry may fluctuate due to different reasons, including factors affecting the end-customer industries we focus on such as market or economic conditions, development in regulatory requirements and release of new government policies. If certain enterprises that we serve elect to terminate or reduce their operations due to developments in laws and regulations or interpretation of the existing ones, our business and results of operations may be materially and adversely affected.

Our sales cycle can be lengthy and unpredictable and requires considerable time and expenses under certain circumstances, and we may encounter configuration, integration, implementation and customer support challenges that could affect our results of operations.

Our sales cycle primarily consists of initial communications, project evaluation and design, proof of concept and contracts execution, which varies from project to project and can be lengthy and unpredictable under certain circumstances. Normally ranging from two to three months for ordinary projects, our sales cycle could nevertheless be as long as over twenty months when serving the public sector, especially respect to large-scale and complex projects. As some customers or end users may not have prior experiences with conversational AI products, services or solutions, they may spend significant time and resources evaluating our solutions before they deploy our solutions. Similarly, we typically spend time and efforts determining their requirements and educating them about the usage, technological capabilities and benefits of our solutions. As a result, our sales efforts may require a significant investment of human resources, time and expenses, including that by our management. Moreover, it may not always be possible for us to accurately forecast whether we will secure the contract, when a potential sale will close, the size of the customer's initial service order and the period over which the implementation will occur, any of which may impact the amount of revenue we recognize or the timing of revenue recognition. If our sales efforts to a potential customer do not result in sufficient revenue to justify our investments, our results of operations could be adversely affected.

In addition, we may experience challenges in configuring, integrating and implementing our solutions and providing ongoing support. As customers' or end users' networks and operational systems may be complex, the configuration, integration and implementation of our solutions for them may require substantial time and resources. There can be no assurance that they will make available to us the necessary personnel and other resources for a successful configuration. The lack of local resources may prevent us from proper configurations, which can in turn adversely impact the quality of solutions that we deliver over their networks, and may result in delays in the implementation of our solutions. If a customer is unsatisfied with the quality of support services that we provide, we may need to incur costs beyond the scope of our contract therewith in order to address the issue, which may in turn reduce or eliminate the profitability of the contract. In addition, negative publicity related to our customer relationships, regardless of its accuracy, could harm our reputation and make it more difficult for us to attract new customers and retain existing ones. Hence, any failure to effectively execute the sale, configuration, integration, implementation and ongoing support of our solutions will materially and adversely affect our results of operations and overall ability to grow our customer base.

Our business relies on the communication infrastructure and telecommunications resources provided by third parties and any disruption of, or interference with, our use of such third-party services would adversely affect our business, results of operations and financial condition.

Our business depends on the performance and reliability of the internet infrastructure in China. Almost all access to the internet in China is maintained through state-owned telecommunication operators under the regulatory supervision of the MIIT. In addition, the national networks in China are connected to the internet through state-owned international gateways, which are the only channels through which a domestic user can connect to the internet outside of China. As such, we may not have access to alternative networks in the event of disruptions, failures or other problems with China's internet infrastructure, which may not always support the demand associated with continued growth in internet usage.

Moreover, we rely on major telecommunications companies in China to provide uninterrupted and error-free services necessary for our solution offerings through their telecommunications networks. We exercise little control over them, which increases our vulnerability to problems with the services they provide. For instance, the failure of telecommunications network operators to provide us with the requisite bandwidth could interfere with the functionality and availability of our solutions. Also, these telecommunications companies possess significant bargaining power and may change their service terms or other policies during the course of our cooperation. If the prices that we pay for telecommunications and internet services rise significantly, our gross margins and operation plans could be adversely affected. As a result, any disruption, or interference with, our use of such third-party services would adversely affect our business, results of operations and financial condition.

Misconduct, non-compliance or omissions by our employees or third parties involved in our business could harm our results of operations and reputation.

Misconduct and omissions by our employees could subject us to liabilities or negative publicity. For instance, the information that we process or transmit in our business may be subject to improper disclosure and misappropriation by our employees. We are also exposed to the risk of other types of employee misconduct, including failing to comply with government regulations, whether intentionally or not, engaging in unauthorized activities and misrepresentation during marketing activities. Despite our strict human resources risk management policies implemented, there can be no assurance that our employees will not engage in misconduct or omissions that could materially and adversely affect our results of operations and reputation.

Misconduct and omissions by our business partners, including our various suppliers, service providers and customers, as well as other third parties who have established business relationships with our business partners, could also subject us to liabilities or negative publicity. Our business partners may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, affect our business. We cannot be certain whether such third parties have infringed or will infringe any other parties' legal rights or violate any regulatory requirements. We cannot assure you either that we will be able to identify irregularities or non-compliances in the business practices of our business partners or other third parties, or that such irregularities or non-compliance will be corrected in a prompt and proper manner. It is not always possible to deter third-party misconduct, and the precautions we take to prevent and detect such misconduct may not be effective in controlling unknown or unmanaged risks or losses. As we cannot rule out the possibility of incurring liabilities or suffering losses due to any non-compliance by third parties, any legal liability and regulatory action on our business partners or other third parties involved in our business may affect our business activities and reputation, which may in turn affect our results of operations.

Our arrangements with third-party business partners in our operations reduce our control over the quality, development, and deployment of our solutions and could harm our business.

We engage third parties in our business operations, including procuring certain hardware components and other equipment, outsourcing certain non-core and less sophisticated research and development projects to third-party vendors, and collaborating with system integrators for the sales of our solutions. Such arrangements may reduce our direct control over the quality, development and deployment of our solutions, and any failure of our third-party business partners to perform their responsibilities or be in compliance with all applicable laws and regulations may have a material negative impact on our business. For instance, our third-party business partners may experience operational difficulties, including supply shortages, reductions in the availability of production capacity, failures to comply with product specifications, failures to meet delivery deadlines, and/or insufficient quality control. Our third-party business partners may also experience disruptions in their operations due to equipment breakdowns, labor strikes or shortages, natural disasters, component or material shortages, cost increases, environmental non-compliance issues or other similar problems. In addition, we may not be able to renew contracts with our third-party vendors or identify qualified substitutes who are capable for providing the equipment and services that we need for our solutions.

For details of our reliance on the communication infrastructure and telecommunications resources provided by third parties and the risks related thereto, see "– Our business relies on the communication infrastructure and telecommunications resources provided by third parties and any disruption of, or interference with, our use of such third-party services would adversely affect our business, results of operations and financial condition" in this section.

We had a concentration of suppliers during the Track Record Period.

Purchase amount from our five largest suppliers in each year of the Track Record Period amounted to RMB279.0 million, RMB336.0 million and RMB308.0 million, respectively, representing 72.6%, 65.9% and 63.0% of our total purchase amount for the same years, respectively; purchase amount from our largest supplier in each year of the Track Record Period amounted to RMB152.6 million, RMB136.7 million and RMB148.4 million, respectively, representing 39.7%, 26.8% and 30.4% of our total purchase amount for the same years, respectively. We cannot assure you that we will be able to secure a stable supply of qualified equipment and/or services at all times going forward. Specifically, we cannot assure you that we will be able to identify an alternative qualified supplier in a timely manner or at all, in the event that any of our existing suppliers terminates its contract with us or is no longer qualified. Any change in suppliers could also require significant efforts or investments in circumstances where the items or services supplied are integral to solution performance or incorporate unique technologies, and the loss of existing supply contracts could have a material adverse effect on us.

The termination of any collaborations with our partners for joint research and development projects may adversely affect our business prospects.

We entered into strategic partnerships with certain partners for joint research and development projects and other initiatives. For details, see "Business – Research and Development" in this prospectus. We expect to continue our substantial collaborations with our partners in various aspects. However, there can be no assurance that our partners will not discontinue their collaborations with us or collaborate with any of our competitors. In the event that such collaborations suspend, expire or are terminated by our partners, we cannot assure you that we will be able to establish new partner relationships or extend existing relationships with our partners. If we are unable to maintain our relationships with our key partners, any of our collaborations with our key partners is terminated, or we are unable to establish substitute partner relationships, we will need to improve the research and development capabilities solely on our own and our business prospects may be materially and adversely affected.

Our use of open-source software could impose limitations on our business operations, and certain software we use leverages open-source codes, which, under certain circumstances, may lead to unintended consequences and, therefore, could materially and adversely affect our business, results of operations and financial condition.

We use open-source software in some of our technologies and expect to continue to use open-source software in the future. Accordingly, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses remain to be further elaborated and interpreted in judicial practice. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions. In such an event, we may be required to seek licenses from third parties to continue commercially offering our software, make our code generally available in source code form, re-engineer our software, or discontinue the sale of our software if re-engineering could not be accomplished in a timely and cost-effective manner, any of which could adversely affect our business operations.

The use of open-source software subjects us to a number of other risks and challenges. As certain software we use leverages open-source codes, we may, under certain circumstances, be subject to unintended consequences that could materially and adversely affect our business, results of operations and financial condition. Open-source software is subject to further developments or modifications by anyone. It is also possible for competitors to develop their own products, services and/or solutions using open-source software, potentially reducing the demand for our solutions or rendering them no longer useful. If we are unable to successfully address these challenges, our business, results of operations and financial condition may be adversely affected, and our development costs may increase.

We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies.

We consider our patents, copyrights, trademarks, domain names, trade secrets and other intellectual properties critical to our success and rely on a combination of intellectual property laws, trade secrets protection, intellectual property ownership clauses with our employees to protect these rights. However, the steps we take to secure, protect and enforce our intellectual property rights may be inadequate. We may not be able to obtain any further patents or trademarks, any of our patents upon grant could be invalidated or our competitors could design their products around such patented technologies, and our pending applications may not result in the issuance of patents or trademarks. Consequently, we may be unable to prevent our technologies from being infringed or exploited, which could require costly efforts in order to protect our technologies.

Policing unauthorized use of our technologies and other intellectual properties is difficult and expensive, and we may be required to spend significant resources to monitor and protect these rights. Litigations brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to our management, and could result in the impairment or loss of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual properties. Any failure to secure, protect and enforce our intellectual property rights could substantially harm the value of our technologies, business and prospects.

Confidentiality agreements and intellectual property ownership clauses with employees may not adequately prevent disclosure of our trade secrets and other proprietary information.

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

We may be subject to intellectual property infringement claims, which could be time-consuming and costly to defend and may result in diversion of our financial and management resources.

We cannot be certain that our operations or any aspects of our business do not, or will not, infringe upon or otherwise violate patents, copyrights, trademarks, know-how, trade secrets or other intellectual property rights held by other parties, whether such claims are valid or otherwise. As the validity, enforceability and scope of protection of intellectual property rights in general and patents in specific are still evolving, we cannot assure you that courts or regulatory authorities would agree with our analysis. As we face increasing competitions from other competitors, there may be a higher risk for us to be subject to intellectual property infringement claims or other legal proceedings. Defending against such intellectual property infringement claims is time-consuming and costly, and may divert our financial and management resources from our business and operations. There is no guarantee that we can obtain favorable final outcomes in all cases. Such intellectual property claims may harm our brand and reputation, even if they are vexatious or do not result in any liability. If we are found to have violated the intellectual property rights of any third party, we may be subject to liabilities for our infringement activities, which could result in a judgment, fine or settlement involving a payment of a material sum of money, prohibitions from using such intellectual property, or requirements for incurring licensing fees or developing alternatives of our own. Such significant monetary liabilities and/or restrictions or prohibitions from using the intellectual property at question may materially disrupt our business, financial condition and results of operations. In the event that we have to indemnify our customers or other third parties for their losses suffered or incurred as a result of intellectual property infringement claims against us, large indemnity payments could be imposed on us that may further harm our business, results of operations and financial condition. In addition, any dispute with customers respecting such indemnification obligations could adversely affect our relationships with them and our prospective customers, and harm our business and results of operations.

The changes in international political relationships, trade policies and trade barriers, or the escalation of trade tensions, may have an adverse effect on our business operations.

In order to cater to enterprises' business needs, we may from time to time procure hardware devices into which our software only solutions are embedded, including from certain overseas suppliers as the circumstance may require. In the event that the countries from which we import equipment impose import tariffs, trade restrictions or other trade barriers affecting the importation of such components of our solutions, we may not be able to obtain a steady supply in time, at competitive prices or at all, and our business and operations may be adversely affected. Our business is therefore subject to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions.

It is notable that the U.S. government has made significant changes in its trade policy in recent years and has taken certain actions that may materially impact international trade, such as announcing import tariffs which have led to some other countries to impose tariffs against the U.S. in response. Currently, it remains unclear what actions, if any, the U.S. government will take with respect to other existing international trade agreements. It is also unknown whether and to what extent new tariffs (or other new laws or regulations) will be adopted, or the effect that any such actions would have on us or our industry. Furthermore, any escalation in existing trade tensions or the advent of a trade war, or news and rumors of the escalation of a potential trade war, could affect consumer confidence and have a material adverse effect on our business, results of operations and, ultimately, the market price of our H Shares. Rising political tensions could reduce levels of trades, investments, technological exchanges and other economic activities between the relevant major economies, which would have a material adverse effect on global economic conditions and the stability of global financial markets. If any new tariffs, legislation and/or regulations are implemented, or if existing trade agreements are renegotiated, such changes could have an adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR INDUSTRY

If the growth of full-stack enterprise-level conversational AI commercialization or the usage of our solutions in end-customer industries we focus on does not meet expectation, or the industry in which we operate develops more slowly than we expect, our business, growth and prospects may be significantly affected.

We may face challenges with respect to the future growth rate and size of China's enterprise-level conversational AI solution market in general that continues to evolve, as well as adoption rates and demand for our solutions in specific. According to the iResearch Report, the enterprise-level conversational AI solution market in China reached RMB62.1 billion in 2023, and is expected to reach RMB204.1 billion in 2028, at a CAGR of 26.9% from 2023 to 2028. However, the penetration rate of enterprise-level conversational AI solutions in China was merely 11.6% in 2023, as compared to 18.2% for the U.S., according to the same source. Market expansion for enterprise-level conversational AI solutions in China depends on a number of factors. For details, see "Industry Overview – Market of IT Solutions Empowered by Conversational AI & UC in China" in this prospectus. If such solutions do not achieve widespread acceptance, or there is a reduction in demand therefor caused by technological challenges, privacy and data protection concerns, governmental regulations, or competing technologies, products, services and/or solutions, our business, growth prospects and results of operations will be materially and adversely affected.

Our future success will also depend in large part on our ability to further penetrate the industry in which we operate, which is contingent upon a number of factors, such as potential users' level of awareness of our solutions and the widespread use of similar products, services and/or solutions. We cannot assure you that the trend of adopting and utilizing such products, services and/or solutions by potential users will continue in the future, as they may be reluctant to invest in novel technologies. Also, the industry in which we operate is not as mature as the markets for traditional communication systems or platforms that have been well established, and it is uncertain whether our solutions will achieve and sustain high levels of user demand and market acceptance. In addition, we cannot be sure that our expenditures on educating potential users about our solutions will help our solutions achieve any additional market acceptance. Moreover, if other providers of similar products, services and/or solutions experience security incidents, loss of customer data, disruptions in delivery or other problems, the market as a whole, including our solutions, may be harmed. All in all, if the market in which we operate fails to grow or grows slower than we expect, our business, growth and prospects could be significantly affected.

As the industry in which we operate is characterized by constant changes, we may fail to continuously innovate our technologies and provide useful solutions that meet users' expectations.

The industry in which we operate is characterized by constant changes, including rapid technological evolutions, frequent introductions of new products, services and/or solutions, continual shifts in user demand and constant emergence of new industry standards and practices. As such, our success will be dependent on our ability to respond to these changes in a cost-effective and timely manner. For instance, we need to develop expertise across different end-customer industries, adapt our solutions to different end-customer industries, stay abreast of the continuously evolving industry trends and rapid technological developments, and constantly anticipate the emergence of new technologies and assess their market acceptance. We also need to invest significant resources in research and development to lead technological advances in order to keep our solutions innovative and competitive in the market.

However, we may not be able to leverage new technologies effectively or adapt our solutions to meet user needs or emerging industry standards. Our technology approach might not align with our future development plans or even become obsolete if we are unable to adapt in a cost-effective and timely manner to changing market conditions, whether for technological, legal, financial or other reasons. Moreover, uncertainties regarding the timing and nature of the development of conversational AI technologies, or modifications to existing solutions or technologies, could impose further challenges to our research and development. As our success will depend on our ability to continuously identify, develop, acquire or protect advanced and new technologies that are valuable to our solutions, failure to do so could render our existing solutions obsolete and unappealing, thereby adversely affecting our business prospects.

Demand for our solutions may not increase as rapidly as we anticipate due to a variety of factors, including weakness in general economic conditions, which would materially and adversely affect our business, results of operations and financial condition.

Our revenue growth is highly dependent on enterprise-level users' continuous corporate spending on and demand for our solutions, which may not increase as rapidly as we anticipate due to a variety of factors, including any weakening economic conditions. The global macroeconomic environment face numerous challenges. For instance, there have been concerns about international political relationships, which may potentially have negative economic effects, such as trade policies, treaties, government regulations and tariffs. Economic conditions in China may be affected by global economic conditions, as well as a number of other complex factors. Any severe or prolonged slowdown in the global or Chinese economy might lead to tighter credit markets, increased market volatility, sudden drops and dramatic changes in business, which may materially and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO REGULATORY COMPLIANCE

We are subject to extensive and evolving regulatory requirements, and we may be adversely affected by the complexity and developments in regulations related to our business.

We are operating in an industry that the relevant government authorities extensively regulate, with applicable laws, regulations and policies and their interpretation and enforcement subject to future developments. As such, we may be subject to compliance risks since, under certain circumstances, it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. We cannot assure you that future laws and regulations or the interpretation of existing ones would not render our operations non-compliant or that we would always be in full compliance with applicable laws and regulations. Responding to any action will likely result in a significant diversion of management's attention and incurrence of significant expenses. Non-compliance with applicable laws or regulations could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions. If any governmental sanction, fine or penalty is imposed, or if we do not prevail in any civil or criminal litigation, our business, financial condition, results of operations and reputation could be harmed. In addition, we may be required to modify our business models as well as solution offerings in a manner that undermines their attractiveness. Also, if we determine that the requirements for operating in compliance are overly burdensome, we may elect to terminate the non-compliant operations. In each case, our business, financial condition and results of operations may be further affected.

We are required to obtain and maintain the requisite licenses, permits or approvals required in any jurisdiction where we operate our business, and if we are required to take actions that are time-consuming or costly in order to obtain and maintain such licenses, permits or approvals, our business, financial condition and results of operations may be materially and adversely affected.

The industry in which we operate is extensively regulated, and we are required to obtain and maintain the requisite licenses, permits or approvals required in the jurisdictions where we operate our business from different regulatory authorities. For details, see "Regulatory Overview" in this prospectus. For instance, we have obtained from the MIIT VAT licenses. For details of our material licenses and permits, see "Business – Licenses and Permits" in this prospectus. We may also be required to take actions that are time-consuming or costly in order to obtain and maintain such licenses, permits or approvals, which may negatively affect our financial condition and results of operations.

As the regulatory regime for the industry in which we operate continues to evolve and in the course of our expansion to new business operations, the government authorities may continue to implement new laws and regulations, or interpretations and applications of existing laws and regulations, applicable to us. As such, we may be required to obtain additional licenses, permits or approvals so that we can continue to operate our existing or future businesses, which may increase our costs for business operations. We cannot assure you that we can successfully do so in a timely and cost-effective manner, or at all, considering the possible future developments regarding the interpretation and implementation by the relevant authorities of existing and future laws and regulations governing our business activities. Similarly, there is no assurance that we can successfully update or renew the licenses, permits or approvals required for our business upon revocation or expiration in a timely and cost-effective manner, or at all, which may be due to various reasons, including changes in our shareholding structure. Specifically, if we fail to renew or update any of our current licenses and permits, including our VAT licenses, in a timely manner or at all, our business, results of operations and financial condition could be materially and adversely affected. Moreover, if we fail to obtain and maintain any of the required licenses, permits or approvals in any jurisdiction where we operate our business, we may be subject to various penalties, such as confiscation of the revenue generated through the unlicensed business activities, imposition of fines and discontinuation or restriction of our operations. Any such penalties may disrupt our business operations, negatively impact our reputation and materially and adversely affect our business, financial condition and results of operations.

Export control and economic or trade restrictions that were imposed on a number of entities may affect our business, financial condition and results of operations.

In recent years, the U.S. government imposed targeted economic and trade restrictions on a number of Chinese companies and institutions that limit their access to U.S.-origin goods, software and technologies (collectively, "**Items**"), as well as items that contain a significant portion of certain U.S.-origin Items or are a direct product of certain U.S.-origin Items. U.S. export controls and trade laws and regulations are complex and likely subject to frequent changes, and the interpretation and enforcement of the relevant regulations involve substantial uncertainties, which may be driven by political and/or other factors that are not within our control or that are heightened by national security concerns. For example, the U.S. government has tightened certain chip shipments to China. If any potential restrictions, any associated inquiries or investigations, or any other government actions occur, they may be difficult or costly to comply with and may, among other things, delay or impede the development of our technologies and solutions, and hinder the stability of our supply chain. They could also result in negative publicity, require significant time and attention of the management, and subject us to fines, penalties or orders that we cease or modify our existing business practices. Any of these events may have a material adverse effect on our business, financial condition and results of operations.

We are subject to complex anti-corruption, anti-money laundering and anti-bribery laws of the jurisdictions where we operate our business.

We are subject to complex anti-corruption, anti-money laundering and anti-bribery laws and regulations in the jurisdictions where we operate our business. For example, under the *Anti-Unfair Competition Law* of the PRC, any commercial bribery committed by an employee of a given company will be deemed as conduct of such company unless it has evidence to rebut the presumption, and the offering of anything of value to employees, agents or representatives of any given transacting party or to any person with substantial influence over the decision making of such transacting party with an intent to obtain business opportunities or commercial advantages constitutes bribery. The scope of bribery includes not only kickbacks, gifts and other things of value or benefit transfer, but also rebates that are not properly recorded or evidenced in accounting. Therefore, any wrongdoings committed by our employees, even if committed without our knowledge or in violation of our policies, or any bad practice in terms of record keeping of the spending by our employees during the business development process, could subject us to anti-corruption and anti-bribery law liabilities.

If our compliance processes have not been duly implemented or our internal control systems have not been operating properly, or if any of our subsidiaries, employees or other persons engages in fraudulent, corrupt or other unfair business practices or otherwise violates applicable laws, regulations or our internal control policies, we could become subject to investigations, enforcement actions or proceedings by governmental authorities, which may disrupt our operations, lead to management distraction and significant costs and expenses, and result in penalties, fines sanctions, or other liabilities. In addition, our reputation and sales activities could be adversely affected if we become the subject of any negative publicity related to actual or potential violations of anti-corruption, anti-money laundering and anti-bribery laws and regulations. Given the uncertainty, complexity and scope of many of these regulatory matters, their outcome generally cannot be predicted with a reasonable degree of certainty, and any of the foregoing results could materially and adversely affect our business, financial condition and results of operations.

We are subject to regulatory requirements in labor-related laws and regulations.

Companies operating in China are required to participate in various government-sponsored employee benefit plans, including certain social insurance, housing reserve funds and other welfare-oriented payment obligations, complete related registration with the competent authorities and contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government from time to time at locations where our employees are based. We had historically engaged third-party human resource agencies to make social insurance and housing provident funds for our employees during the Track Record Period. As of the Latest Practicable Date, we had not received any notice of warnings or been subject to any administrative penalties or other disciplinary actions from the relevant governmental authorities in this regard. As advised by our PRC Legal Adviser, if any of the relevant social insurance authorities is of the view that we have failed to make full social insurance contributions for our employees in accordance with the relevant laws and regulations, it may order us to pay outstanding amounts within a prescribed time limit. As a result, we may be subject to a late charge at the daily rate of 0.05% on the outstanding amounts from the date on which such amounts are payable. If such payment is not made within the prescribed period, the competent authorities may further impose a fine one to three times the amount of any overdue payment. In addition, if any of the relevant housing reserve fund authorities is of the view that we have failed to make full housing reserve fund contributions for our employees in accordance with the relevant laws and regulations, it may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement. In sum, if we are found not in compliance with relevant laws and regulations, we may face fines or penalties which could adversely affect our business, financial condition and results of operations.

Moreover, as the interpretation and implementation of labor-related laws and regulations may continue to evolve and the relevant government authorities have recently enhanced measures relating to social insurance collection, which may lead to stricter enforcement, we cannot assure you that our employment practices and policies will at all times be deemed to be in full compliance with such laws and regulations, which may subject us to labor disputes or government investigations. If we are deemed to have violated the relevant labor laws and regulations, we could be subject to related penalties, fines or legal fees, and our business, financial condition and results of operations could be materially and adversely affected.

Our leased property interests may be defective and our right to lease or use the properties may be challenged.

Pursuant to applicable PRC laws and regulations, property lease agreements must be filed with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, our ten leased properties in China had not been registered with the relevant PRC governmental authorities. According to our PRC Legal Adviser, the failure to do so does not in itself invalidate the leases, but we may be ordered by the relevant PRC governmental authorities to rectify such non-compliance and, if we fail to do so within a given period of time, we may be subject to fines ranging from RMB1,000 and RMB10,000 for each of our unregistered lease agreements. As such, we estimate that the maximum penalty we might be subject to with respect to these unregistered leased properties as of the Latest Practicable Date would be approximately RMB100,000. We cannot assure you that we will not be subject to any penalties arising from the non-registration of our lease agreements and any disputes arising out of our leased properties in the future.

Changes in political and economic policies, as well as the interpretation and enforcement of law, rules and regulations, may affect our business, financial condition, results of operations and prospects.

Due to our extensive operations in the PRC, our business, financial condition, results of operations and prospects are affected by political, economic and legal developments in the PRC. The overall economic growth of PRC is influenced by the governmental regulations and policies in relation to resource allocation, monetary policies, regulations of financial services and institutions and others. Any of the foregoing would affect our business, financial condition, results of operations and prospects.

We shall comply with the applicable PRC laws, rules and regulations. The relevant PRC laws, rules and regulations in force at present may be amended in the future, and their interpretation and implementation shall be determined in accordance with relevant laws and regulations in force at the time. Any non-compliance with any existing or new laws and regulations could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Regulations on currency exchange and the fluctuation of currency exchange rate may adversely affect our business and our ability to pay dividends to holders of our H Shares.

Government authorities in regions where we operate our business regulate the convertibility and remittance of currencies. Our accounts were denominated in the Renminbi during the Track Record Period, which is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and loans. A portion of our revenue may be converted into other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under existing laws and regulations on foreign exchange, following the completion of the Global Offering, we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from the State Administration of Foreign Exchange, or SAFE, of the PRC. In the future, the relevant regulatory developments may affect our ability to pay dividends in foreign currencies to holders of our H Shares.

We are also exposed to foreign currency risk. The value of the Renminbi against the U.S. dollar and other currencies is affected by a number of factors, such as regulatory updates and developments in the PRC's and international political and economic conditions. As all of our revenue and operating expenses are denominated in Renminbi and the proceeds from the Global Offering will be received in Hong Kong dollars, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other currencies may result in the decrease in the value of our foreign currency denominated assets and our proceeds from the Global Offering. Conversely, any depreciation of the Renminbi due to fluctuation of the relevant exchange rates may affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign exchange currency exposure at reasonable costs. We cannot assure you that we will be able to minimize or reduce our foreign currency risk exposure relating to our foreign currency denominated assets.

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

We are incorporated under the laws of the PRC with limited liability, and substantially all of our assets are located in the PRC. In addition, substantially all of our executive Directors, Supervisors and senior management personnel reside within the PRC, and substantially all their assets are located within the PRC. As a result, it may be difficult for investors to directly effect service of legal process within the U.S. or elsewhere outside the PRC upon us or our Directors, Supervisors and senior management personnel.

On July 14, 2006, the Supreme People's Court of the PRC and the government of Hong Kong Special Administrative Region entered into the *Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned* (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"). Under the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly selected as the court having sole jurisdiction for the dispute. In addition, the Arrangement has expressly provided for "enforceable final judgment", "specific legal relationship" and "written form". A final judgment that does not comply with the Arrangement may not be recognized and enforced in a PRC court.

On January 18, 2019, the Supreme People's Court of the PRC and the government of the Hong Kong Special Administrative Region entered into the *Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region* (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**2019 Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The 2019 Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The 2019 Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People's Court of the PRC and the completion of the relevant legislative procedures in Hong Kong. The 2019 Arrangement will, upon its effectiveness, supersede the Arrangement. Therefore, before the 2019 Arrangement becomes effective, a choice of court agreement in writing by parties in the dispute remains the condition precedent for enforcing a judgment rendered by a Hong Kong court in China.

Gains on the sales of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Under applicable PRC tax laws, both the dividends we pay to non-PRC resident individual holders of H shares ("**Non-Resident Individual Holders**"), and gains realized through the sale or transfer by other means of H shares by such shareholders, are subject to PRC individual income tax at a rate of 20%, unless reduced by applicable tax treaties or arrangements. And the dividends we pay to, and gains realized through the sale or transfer by other means of H shares by non-PRC resident enterprise holders of H shares are both subject to PRC enterprise income tax at a rate of 10%, unless reduced by applicable tax treaties or arrangements. In addition, pursuant to the *Arrangements between the Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Incomes* (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) dated August 21, 2006, any non-resident enterprise registered in Hong Kong that holds directly at least 25% of the shares of our Company shall pay enterprise income tax for the dividends declared and paid by us at a tax rate of 5%.

With respect to Non-Resident Individual Holders in specific, income received from dividends and bonuses of a foreign-invested enterprise, as well as that from transfer of stocks of listed companies are currently exempt from individual income tax pursuant to applicable PRC regulations. On February 3, 2013, the State Council approved and promulgated the *Notice of Suggestions to Deepen the Reform of System of Income Distribution* (《國務院轉批發展改革委等部門關於深化收入分配制度改革若干意見的通知》). On February 8, 2013, the General Office of the State Council promulgated the *Circular Concerning Allocation of Key Works to Deepen the Reform of System of Income Distribution* (《國務院辦公廳關於深化收入分配制度改革重點工作分工的通知》). According to these two documents, the PRC government is planning to cancel foreign individuals' tax exemption for dividends obtained from foreign-invested enterprises, and the Ministry of Finance and the State Administration of Taxation should be responsible for making and implementing details of such plan. There is no assurance that any gains on the sales of our H Shares and the dividend thereon will not be subject to PRC income taxes in the future.

Our operations are subject to and may be affected by developments in PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by the relevant tax authorities. We cannot assure you that future examinations by such tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation.

Furthermore, the PRC tax laws and regulations may continue to evolve. For example, under the amended *Individual Income Tax Law* which was last amended on August 31, 2018 and came into effect on January 1, 2019, foreign nationals who have no domicile in the PRC but have resided in the PRC for a total of 183 days or more in a tax year would be subject to PRC individual income tax on their income gained within or outside the PRC. Should such rule be strictly enforced, our ability to attract and retain skilled foreign personnel to work in the PRC may be affected, which may in turn have an adverse effect on our business, financial condition, results of operations and prospects.

RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

Our ability to continue to enhance our solutions is dependent on adequate research and development resources. If we are not able to adequately fund our research and development efforts, we may not be able to compete effectively and our business and results of operations may be harmed.

During the Track Record Period, our research and development expenses amounted to RMB36.3 million, RMB64.0 million and RMB98.8 million in 2021, 2022 and 2023, respectively. As we expect to continue developing new solution offerings and enhance existing offerings, maintaining adequate research and development personnel and resources to meet the demand of the market is essential to our business growth. As such, we need to invest significant resources, including financial resources, in research and development to make technological advances in order to expand our solution offerings and make our solutions innovative and competitive in the market. On the other hand, if we are unable to develop solutions, applications or features due to certain internal constraints, including that on fundings for research and development activities, we may miss market opportunities. Furthermore, many of our competitors may expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to such competitors' research and development programs. Any of our failures to devote adequate research and development resources or compete effectively with the research and development programs of our competitors could harm our business and results of operations. Moreover, we expect that our research and development expenses will continue to increase in the future. As research and development activities are inherently uncertain and we might encounter practical difficulties in commercializing our research and development outcomes, any of our significant expenditures on research and development may not generate corresponding benefits and negatively impact our financial performance.

We have historically received government grants, which we may not be able to receive in the future.

We have historically received government grants as rewards of our contribution to technological innovations and regional economic development, and encouragement of project development, which were recognized in the consolidated statements of profit or loss when related conditions, if any, were satisfied. In 2021, 2022 and 2023, we recognized government grants as other revenue of RMB7.7 million, RMB11.0 million and RMB27.2 million, respectively. For details of our government grants, see Note 5 to the Accountants' Report in Appendix I to this prospectus. Our eligibility for government grants depends on a variety of factors, including the assessment of our improvement on existing technologies, relevant government policies, the availability of funding at different granting authorities and the research and development progress made by other peer companies. In addition, the timing, amount and criteria of government grants are determined by the local government authorities and cannot be influenced by us or predicted with certainty before we actually receive them. Also, some of the government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific projects therein. We cannot guarantee that we will satisfy all relevant conditions, and if we fail to satisfy any such conditions, we may be deprived of the relevant grants. Therefore, the current government grants enjoyed by us have a non-recurring nature and we cannot assure you of the continued availability of that currently enjoyed by us. Any reduction or elimination of such government grants would have an adverse effect on our financial performance and results of operations.

Changes in fair value of our financial assets measured at fair value through profit or loss (FVPL) may materially and adversely affect our financial condition and results of operations.

During the Track Record Period, our financial assets measured at FVPL arose from our strategic investment in a private company incorporated in PRC that primarily engages in the manufacturing and sales of AI hardware. The investment was classified as financial assets measured at FVPL because it contains substantive liquidation preference and is redeemable at our option if the investee is liquidated in the future. As of December 31, 2021, 2022 and 2023, we recorded such financial assets measured at FVPL of RMB20.0 million, RMB28.3 million and RMB28.6 million, respectively. In 2021, 2022 and 2023, we recorded changes in fair value of financial assets measured at FVPL of nil, RMB8.3 million and RMB0.3 million, respectively.

According to applicable accounting policies, financial assets measured at FVPL are recorded in the consolidated statements of financial position at fair value, with net changes in their fair value recognized in the consolidated statements of profit or loss, and therefore directly affect our financial condition and results of operations. Such treatment of gain or loss may cause significant volatility in, or materially and adversely affect, our period-to-period earnings, financial condition and results of operations. We cannot assure you that market conditions and regulatory environment will create fair value gains and we will not incur any fair value losses on our financial assets measured at FVPL in the future.

In addition, estimated changes in fair values involve the exercise of professional judgment and the use of certain basis and assumptions, which, by their nature, are subjective and uncertain. To measure fair value of our financial assets measured at FVPL, we use the assumptions that market participants would use to price the asset or liability acting in their economic best interest. For more details, see Note 30(e) to the Accountants' Report in Appendix I to this prospectus. As such, the financial assets valuation has been, and will continue to be, subject to uncertainties in accounting estimation, which may not reflect actual fair value of these financial assets measured at FVPL and result in significant fluctuations in our profit or loss from period to period. To the extent we need to revalue these financial assets measured at FVPL, any change in their fair value and related valuation uncertainty could materially affect our financial condition and results of operations.

We recognized substantial goodwill and intangible assets during the Track Record Period and may incur significant impairment charges related thereto, which may adversely affect our results of operations as a result.

As of December 31, 2021, 2022 and 2023, we had goodwill of RMB17.1 million, RMB39.2 million and RMB39.2 million, respectively. However, our acquired businesses may not generate the financial results that we expect, which could result in the occurrence of significant investments and goodwill impairment charges. We periodically review goodwill and investments for impairment. If we conclude that any of these equity investments and/or acquired businesses are impaired, we will write down the asset to its fair value and take a corresponding charge to our consolidated statements of profit or loss. Similarly, we recorded intangible assets of RMB24.2 million, RMB111.0 million and RMB110.7 million as of December 31, 2021, 2022 and 2023, respectively, which are reviewed annually to identify any indication of impairment and the recoverable amount will be estimated if so. As a result, in case of any significant impairment charges related to the aforementioned assets, our results of operations may be negatively affected.

We face risks of overstocking or under-stocking inventories.

During the Track Record Period, our inventories primarily included communication devices, servers and computers, and perception equipment and accessories that were or are to be integrated into our solutions. As of December 31, 2021, 2022 and 2023, we had inventories of RMB112.5 million, RMB95.3 million and RMB6.2 million, respectively. Maintaining an optimal level of inventories is important for the success of our business. We regularly track our inventories to keep it at a level sufficient to fulfill customers' orders. We also proactively assess changes in market conditions and pre-store strategically inventories in anticipation of potential supply shortage. However, we may be exposed to risks of overstocking or under-stocking inventories as a result of a variety of factors beyond our control, including changes of customer needs and the inherent uncertainty of successful solution launches. We cannot assure you that we can accurately predict these trends and events, or that our inventories management measures will be implemented effectively so that we will not have significant levels of inventories excess or shortage. As a result of any unforeseen or sudden events, we may experience slow movement of our inventories, or fail to utilize our inventories swiftly.

Moreover, as we plan to continue expanding our solution offerings, we expect to include more materials in our inventories, which will make it more challenging for us to manage our inventories effectively. Inventories levels in excess of customer demand may result in inventories write-downs or an increase in inventories holding costs, and a potential negative effect on our liquidity. If we fail to manage our inventories effectively, we may also be subject to a heightened risk of inventories excess or shortage, which may have a material adverse effect on our business, financial condition and results of operations.

We may be subject to impairment losses on our prepayments.

As of December 31, 2021, 2022 and 2023, we recorded prepayments of RMB168.2 million, RMB173.6 million and RMB413.8 million, respectively. During the Track Record Period, our prepayments primarily represented our prepayments for goods and services and for purchase of property, equipment and intangible assets. We may be subject to impairment losses on our prepayments if the actual recoverability of such prepayments is lower than the expected level, which could adversely affect our cash flow and our ability to meet our working capital requirements, thereby adversely affecting our business, financial condition and results of operations.

If we fail to fulfill our obligations in respect of our contract liabilities, our results of operations, liquidity and financial position may be adversely affected.

As of December 31, 2021, 2022 and 2023, we had contract liabilities of RMB26.7 million, RMB31.1 million and RMB97.4 million, respectively, which were primarily due to the advance payments received from our customers for solutions and services to be provided during a period of time in the future. As our recognition of contract liabilities as revenue is subject to future performance obligations, they may not be representative of our revenue for future periods. In addition, there is no assurance that we will be able to fulfill our obligations in respect of contract liabilities as the completion of the sales of our solutions is subject to various factors, including the availability of relevant personnel and the supply of equipment from our third-party suppliers, among others. If we are not able to fulfill our obligations with respect to our contract liabilities, customers may request to cancel their agreements with us and we may need to refund a portion or all of our contract liabilities not yet recognized as revenue to our customers, which could result in an adverse impact on our cash flows generated from operating activities and liquidity, and also lead to customer dissatisfaction or even disputes with us. In the event that we are required to refund some or all of the prepayments from our customers, we may not have the cash or other available resources to fulfill the refund obligation. Furthermore, if we fail to fulfill our obligations with respect to our contract liabilities, customers may request not to prepay us in the future, in which case we would have to find other sources of funding for our operations, capital expenditures and expansion plans, which would be costly as compared to the aforementioned cost-free customer prepayment funding and may not be available when needed or on acceptable terms, if at all. Any failure to fulfill our obligations in respect of contract liabilities may have an adverse impact on our results of operations, liquidity and financial position.

Our financial condition and results of operations may be adversely affected by changes in carrying amount of redeemable capital contributions, including due to the valuation uncertainty in association with the use of unobservable inputs.

As of December 31, 2021, 2022 and 2023, the redeemable capital contributions from our existing investors amounted to RMB265.7 million, RMB528.0 million and RMB852.9 million, respectively. In 2021, 2022 and 2023, changes in carrying amount of such redeemable capital contributions amounted to RMB26.0 million, RMB157.5 million and RMB146.9 million, respectively. According to applicable accounting policies, such redeemable capital contributions are recorded in the consolidated statements of financial position, with changes in their fair value recognized in the consolidated statements of profit or loss, therefore directly affecting our financial condition and results of operations.

The determination of changes in carrying amount of such redeemable capital contributions requires the use of estimates that are based on significant unobservable inputs, such as discounts for lack of marketability and discount rate. For details, see Note 26 and Note 30(e) to the Accountants' Report in Appendix I to this prospectus. Such unobservable inputs require us to make significant estimates, which may be subject to material changes, and therefore inherently involve a certain degree of uncertainty. For instance, factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such liabilities. These factors include, but are not limited to, general economic condition, changes in market interest rates and stability of the capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our financial condition and results of operations.

We had net current liabilities during the Track Record Period, which may adversely affect our liquidity.

During the Track Record Period, we had net current liabilities of RMB33.6 million as of December 31, 2021, RMB242.6 million as of December 31, 2022 and RMB455.9 million as of December 31, 2023, which were primarily attributable to the significant amount of redeemable capital contributions in relation to equity investments in connection with the redemption rights and liquidation preferences by the relevant investors in certain situations. For details, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Redeemable Capital Contributions" in this prospectus. For details of risks related thereto, see "– Our financial condition and results of operations may be adversely affected by changes in carrying amount of redeemable capital contributions, including due to the valuation uncertainty in association with the use of unobservable inputs" in this section.

We cannot guarantee that we will not continue to incur net current liabilities in the future. If we are to record net current liabilities again, it will affect our liquidity, as well as our ability to raise funds, obtain bank loans, pay debts when they become due and declare and pay dividends. Specifically, our liquidity position may also be adversely affected by our failure to fulfill our obligations in respect of our contract liabilities if we experience a shortage in cash flow generated from operations. This, in turn, may impact our ability to execute our business strategies. For details, see "– If we fail to fulfill our obligations in respect of our contract liabilities, our results of operations, liquidity and financial position may be adversely affected" in this section. If such event occurs, our results of operations and financial position will be materially and adversely affected.

We had net loss for the year 2022 and 2023 and net cash flows used in operating activities during the Track Record Period, and may need to obtain additional financing to fund our operations, which may cause dilution to our Shareholders and restrict our operations, and we may not be able to obtain additional financing on favorable terms or at all.

In 2022 and 2023, we recorded net loss for the year of RMB85.8 million and RMB29.2 million, respectively, which was primarily attributable to changes in carrying amount of our redeemable capital contributions of RMB157.5 million and RMB146.9 million in the same year, respectively. Moreover, in 2021, 2022 and 2023, we recorded net cash used in operating activities of RMB75.1 million, RMB31.1 million and RMB68.1 million, respectively. We expect to continue to spend substantial amounts of capital on conducting research and development activities, commercializing our solutions and responding to unforeseen circumstances. We believe that our future abilities to achieve and maintain stable profitability and generate positive operating cashflow will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective monetization strategies, compete effectively and successfully, and continuously grow our customers base and revenues in a cost-effective way. However, the foregoing efforts may take a long time to realize returns, and we may therefore continue to have net losses and net cash outflows from operating activities in the future. We have historically funded our cash requirements additionally with capital contribution from shareholders and financing through the issuance of shares in private placement transactions. In the event that our existing capital resources fail to sufficiently cover our overall cash needs, we will need further funding through public or private offerings, debt financing, governmental subsidies, and/or other sources. We cannot assure you that we will be able to secure sufficient financial resources to support our operations. Our future funding requirements will depend on many factors, including:

- our future liquidity, payment of trade and other payables, capital expenditure plans and repayment of outstanding debt obligations;
- cash requirements of the research and development of our technologies and solutions;
- the terms and timing of any future acquisitions;
- the costs of filing, prosecuting, defending and enforcing any patent claims, trade secret and other intellectual property rights;
- our headcount growth and associated costs; and/or
- selling and marketing costs associated with our solutions, including the costs and timing of expanding our sales and marketing team.

We cannot assure you that we will have sufficient financing from other sources to fund our operations. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the industry in which we operate;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities in China;
- overall conditions of the market for conversational AI solutions in China; and
- economic, political and other conditions in China and internationally.

If we are unable to raise capital when needed, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts, which may materially and adversely affect our continued business operations.

Even if we resort to other financing activities, we may not be able to obtain the financing on terms acceptable to us with respect to financing costs and other commercial terms. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our H Shares. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, as well as other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our H Shares to decline.

RISKS RELATING TO OUR GENERAL OPERATIONS

Rumors or negative publicity involving us, our solutions, management, customers, or business partners may materially and adversely affect our reputation, business, results of operations and financial condition.

We believe that positive publicity about us plays an important role in achieving widespread acceptance of our solutions as well as strengthening our ability to maintain and attract our customers. Negative publicity or citation involving us, our solutions, management, customers or business partners may on the other hand harm our reputation and business. We cannot assure you that we will be able to preclude any future negative media reports, defuse such negative publicity or citation to the satisfaction of our investors, customers and business partners, or prevent consequential misconception and other damages caused thereby. In addition, we may have to incur significant expenses and divert our management's time and attention in order to remedy the effects of such negative coverage, which may materially and adversely affect our business, results of operations and financial condition.

We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to claims or disputes of various types brought by our competitors, employees, customers or others against us relating to contractual disputes, labor disputes, intellectual property infringements, misconduct of our employees or others. Such claims and disputes may evolve into litigations which could be costly and time-consuming, distracting to our management and detrimental to our reputation, thereby adversely affecting our customer base. In addition, one or more legal or administrative matters resolved against us could result in significant compensatory, punitive or trebled monetary damages, disgorgement of revenue or profits, remedial corporate measures, injunctive relief or specific performance that could materially and adversely affect our business, financial condition and results of operations.

Our insurance coverage may be limited and expose us to significant costs and business disruption.

We face various risks in connection with our business, and we believe we maintain insurance policies in line with industry standards. However, we may still lack adequate insurance coverage or have no relevant insurance coverage. We may also be unable to insure certain risks related to our assets or business even if we desire to. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could result in our incurrence of substantial costs and diversion of resources, which could have a material adverse effect on our business operations. In addition, there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our offices and facilities could materially and adversely affect our business and results of operations.

There is no assurance that our existing leases would be successfully extended or renewed on similar or favorable terms, in particular with respect to the amount of rent and the term of the lease, or at all. Any substantial increase in the rent due to high demand for the leased properties at certain locations or of desirable sizes, for instance, may increase our property rental and related expenses, which could materially and adversely affect our profitability. If we are unable to renew our lease agreements upon their expirations, we will have to relocate the affected operations, which could disrupt our business and result in significant relocation expenses. We could not assure you that we would be able to secure comparable locations with leases based on comparable terms to relocate our affected operations in time, or at all, especially when our leases were to be terminated early by the lessors before the expiry of the relevant term, and as a result our business and results of operations may be material adversely affected.

We face risks related to force majeure events, natural disasters, health epidemics and other outbreaks of contagious diseases.

Our business could be affected by force majeure events, natural disasters, or other adverse public health developments, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, including the Severe Acute Respiratory Syndrome or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1) and COVID-19 and its variants, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Any natural disasters, epidemics and other outbreaks that are beyond our control may be expected to affect the economy, restrict the level of business activities in the affected areas and directly impact our and our customers' operations, including straining facilities and employees, exposing employees to personal risks, temporarily closing office spaces, imposing additional health or safety measures upon office spaces, or exposing us to potential liabilities for actions taken or not taken.

RISKS RELATING TO THE GLOBAL OFFERING

There has been no prior public market for our H Shares and there can be no assurance that an active market would develop, and the price and trading volume of our H Shares may be volatile.

Prior to this Global Offering, there has been no public market for our H Shares. The Offer Price for our Offer Shares was the result of negotiations among us and Sole Overall Coordinator (for itself and on behalf of the Underwriters) and the Offer Price may differ significantly from the market price for our H Shares following this Global Offering. We have applied for listing of and permission to deal in our Offer Shares on the Stock Exchange.

A listing on the Stock Exchange, however, does not guarantee that an active and liquid trading market for the H Shares will develop, or if it does develop, that it will be sustained following the Global Offering, or that the market price of the H Shares will not decline following the Global Offering. In addition, the trading price and trading volume of the H Shares may be subject to significant volatility in responses to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our H Shares. In addition to market and industry factors, the price and trading volume of our H Shares may be highly volatile for specific business reasons, such as regulatory developments affecting the relevant markets, industries and other related matters, fluctuations in our revenue, earnings, cash flows, investments and expenditures, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors.

Future sales or perceived sales of a substantial number of our H Shares in the public market following the Global Offering could materially and adversely affect the price of our H Shares and our ability to raise additional capital in the future.

Prior to the Global Offering, there has not been a public market for our H Shares. Future sales or perceived sales by our existing Shareholders of our H Shares after the Global Offering could result in a significant decrease in the prevailing market price of our H Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the Global Offering due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our H Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing market price of our H Shares and our ability to raise equity capital in the future.

You will incur immediate and significant dilution and raising additional capital may cause further dilution or restrict our operation.

The Offer Price of the Offer Shares is higher than the net tangible asset value per H Share immediately prior to the Global Offering. Therefore, purchasers of the Offer Shares in the Global Offering will experience an immediate dilution in pro forma consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the Global Offering, any assets will be distributed to our Shareholders after the creditors' claims. If we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a shareholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, limitations on our ability to acquire or license intellectual property rights or declaring dividends, or other operating restrictions.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. For more details on our dividend policy, see "Financial Information – Dividend" in this prospectus.

The future conversion of Unlisted Shares into H Shares upon completion of the Global Offering could increase the supply of H Shares in the market and may negatively impact the market price of our H Shares.

Our Unlisted Shares are currently not listed or traded on any stock exchange. We have applied for the conversion of Unlisted Shares into H Shares. The conversion of Unlisted Shares into H Shares has been approved by the CSRC on March 8, 2024. Upon completion of the Global Offering, these Unlisted Shares will be converted into H Shares on a one-for-one basis. For details, see "History, Development and Corporate Structure" and "Share Capital – Conversion of Unlisted Shares into H Shares" in this prospectus. The conversion of our Unlisted Shares will increase the number of H Shares available on the market. As a result, it may negatively affect the trading price of our H Shares due to the increased supply in the market.

Our Controlling Shareholders has significant influence over our Company and their interests may not be aligned with the interest of our other Shareholders.

Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and delegates on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the consent of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as part of a sale of our Company and may significantly reduce the price of our Shares.

We have not independently verified government statistics and facts in this prospectus.

This prospectus includes certain statistics that have been extracted from relevant government official sources and publications. Our Directors believe the sources of these statistics are appropriate for such statistics and have taken reasonable care in extracting and reproducing such statistics. Our Directors have no reason to believe that such statistics are false or misleading or that any fact has been omitted that would render such statistics false or misleading. However, these statistics from these sources have not been independently verified by our Company, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers or the Underwriters, any of their respective directors or any other parties involved in the Global Offering and therefore, our Company makes no representation as to the accuracy or completeness of these statistics, which may not be consistent with other information compiled within or outside Hong Kong. Furthermore, there is no assurance that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to or place on such statistics or facts.

You should read the entire prospectus carefully, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

You should rely solely upon the information contained in this prospectus, the Global Offering and any formal announcements made by us in Hong Kong when making your investment decision regarding our H Shares. Subsequent to the date of this prospectus but prior to the completion of the Global Offering, there may be press and media coverage regarding us and the Global Offering, which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of any such press articles or other media coverage, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us in any such press articles or media coverage. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information. By applying to purchase our H Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Cap 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to us. Our Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this prospectus misleading or deceptive.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering.

The Listing of our H Shares on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Sole Overall Coordinator. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters pursuant to the Hong Kong Underwriting Agreement under the terms of the Hong Kong Underwriting Agreement on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters under the terms of the International Underwriting Agreement relating to the International Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out herein and therein. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and any information or representation not contained herein and therein must not be relied upon as having been authorized by our Company, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, partners, agents, employees or advisers or any other party involved in the Global Offering.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

Further information regarding the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering", and the procedures for applying for our Hong Kong Offer Shares are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the H Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of the Hong Kong Offer Shares to, confirm that he/she is aware of the restrictions on offers and sales of the H Shares described in this prospectus.

No action has been taken to permit a public offering of the H Shares in any jurisdiction other than Hong Kong, and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom. In particular, the H Shares have not been publicly offered or sold, directly or indirectly, in the PRC or the United States.

INFORMATION ON THE CONVERSION OF UNLISTED SHARES INTO H SHARES

The Company has applied for the Conversion of Unlisted Shares into H Shares, which involves 8,625,913 Shares held by 30 Shareholders. The Conversion of Unlisted Shares into H Shares has been approved by CSRC on March 8, 2024. Please see "History, Development and Corporate Structure" and "Share Capital" in this prospectus for further details of the aforementioned Shareholders and their interests in the Company and relevant procedures for the Conversion of Unlisted Shares into H Shares. Such H Shares are restricted from trading for a period of one year after the Listing pursuant to the PRC Company Law.

APPLICATION FOR LISTING OF THE H SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the granting of the listing of, and permission to deal in, (i) the H Shares to be issued by us pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option); and (ii) the H Shares to be converted from our Unlisted Shares.

Dealings in the H Shares on the Stock Exchange are expected to commence on Wednesday, July 10, 2024. No part of our Shares or loan capital is listed or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought on any other stock exchange as of the date of this prospectus. All the Offer Shares will be registered on the Hong Kong register of members of the Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, our H Shares on the Stock Exchange pursuant to this prospectus has been refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Stock Exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the H Shares or exercising rights attached to them. None of us, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, partners, agents, advisers or representatives or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchasing, holding, disposition of, or dealing in, the H Shares or exercising any rights attached to them.

OVER-ALLOTMENT OPTION AND STABILIZATION

Details of the arrangements relating to the Over-allotment Option and stabilization are set out in "Underwriting" and "Structure of the Global Offering" in this prospectus.

H SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the H Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Stock Exchange or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS. Investors should seek the advice of their stockbrokers or other professional advisers for details of the settlement arrangements as such arrangements may affect their rights and interests.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF H SHARES

We have instructed the H Share Registrar, and the H Share Registrar has agreed, not to register the subscription, purchase or transfer of any H Shares in the name of any particular holder unless the holder delivers a signed form to the H Share Registrar in respect of those H Shares bearing statements to the effect that the holder:

(1) agrees with us and each of our Shareholders, and we agree with each Shareholder, to observe and comply with the PRC Company Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Special Regulations and our Articles of Association;

(2) agrees with us, each of our Shareholders, Directors, Supervisors, managers and officers, and we, acting for ourselves and for each of our Directors, Supervisors, managers and officers agree with each Shareholder, to refer all differences and claims arising from our Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning our affairs to arbitration in accordance with our Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearings in open session and to publish its award, which shall be final and conclusive;

(3) agrees with us and each of our Shareholders that our H Shares are freely transferable by the holders thereof; and

(4) authorizes us to enter into a contract on his or her behalf with each of our Directors, Supervisors, managers and officers whereby such Directors, Supervisors, managers and officers undertake to observe and comply with their obligations to our Shareholders as stipulated in our Articles of Association.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The procedures for applying for Hong Kong Offer Shares are set out in the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus.

H SHARE REGISTER AND STAMP DUTY

All of the Offer Shares issued pursuant to applications made in the Global Offering and the H Shares converted from the Unlisted Shares will be registered on the H Share register of members of our Company maintained by our H Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Our register of members will also be maintained by us at our legal address in the PRC.

Dealings in the H Shares registered on the H Share register of members of our Company in Hong Kong will be subject to Hong Kong stamp duty.

DIVIDENDS PAYABLE TO HOLDERS OF H SHARES

Unless determined otherwise by our Company, dividends payable in respect of our H Shares will be paid to the Shareholders listed on the H Share register of our Company in Hong Kong, by ordinary post, at the Shareholders' risk, to the registered address of each Shareholder of our Company.

STRUCTURE OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set out in the section headed "Structure of the Global Offering" in this prospectus.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all. Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.1192 to US$1.00, (ii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of HK$7.8062 to US$1.00. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. However, the English names of the PRC nationals, entities, departments, facilities, certificates, titles, laws, regulations and the like are translations of their Chinese names and are included for identification purposes only. If there is any inconsistency, the Chinese name prevails.

ROUNDING AND OTHERS

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments, or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere between totals and sums of amounts listed therein are due to rounding.

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the Global Offering assume that the Over-allotment Option is not exercise.

In preparation for the Global Offering, our Company has sought and has been granted the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 and Rule 19A.15 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong.

Our management, business operations and assets are primarily located outside Hong Kong. The principal management headquarters of our Group are primarily based in the PRC. Our Company considers that our Group's management is best able to attend to its functions by being based in the PRC. None of our executive Directors is or will be ordinarily resident in Hong Kong after the Listing of our Company. Our Directors consider that relocation of our executive Directors to Hong Kong will be burdensome and costly for our Company, and it may not be in the best interests of our Company and our Shareholders as a whole to appoint additional executive Directors who are ordinarily resident in Hong Kong. As such, we do not have, and for the foreseeable future will not have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 8.12 and Rule 19A.15 of the Listing Rules, provided that our Company implements the following arrangements to maintain effective communication between the Stock Exchange and us:

(1) pursuant to Rule 3.05 of the Listing Rules, the Company has appointed and will continue to maintain two authorized representatives, namely, Mr. Tang and Ms. Liu Yihan, being respectively an executive Director and a joint company secretary of our Company, to be the principal communication channel at all times between the Stock Exchange and the Company. Each of the Company's authorized representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email;

(2) as and when the Stock Exchange wishes to contact our Directors on any matters, each of our authorized representatives has the means to contact all of our Directors (including the independent non-executive Directors) promptly at all times;

(3) although our executive Directors do not ordinarily reside in Hong Kong, each of our Directors not ordinarily residing in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and is able to meet with the Stock Exchange within a reasonable period of time, when required;

(4) we have appointed Maxa Capital Limited as our compliance advisor (the "**Compliance Advisor**"), pursuant to Rule 3A.19 of the Listing Rules, who will have access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication between the Stock Exchange and us for the period commencing from the Listing Date to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. The Compliance Advisor will maintain constant contact with the authorized representatives, Directors and senior management through various means, including regular meetings and telephone discussions whenever necessary. Our authorized representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Advisor may reasonably require in connection with the performance of the Compliance Advisor's duties as set forth in Chapter 3A of the Listing Rules;

(5) we have provided the Stock Exchange with the contact details of each Director (including their respective mobile phone number, office phone number and e-mail address), and in the event that any Director expects to travel or otherwise be out of the office, he will provide the phone number of the place of his accommodation to the authorized representatives; and

(6) we will also retain legal advisers to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong after Listing.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rule 8.17 of the Listing Rules, an issuer must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, we must appoint an individual as the company secretary of our Company who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules provides that the Stock Exchange considers that the following academic or professional qualifications to be acceptable:

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

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

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

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

(a) length of employment with the Company and other listed companies and the roles he/she played;

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

(c) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than fifteen hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong, he/she also needs to have experience relevant to our Company's operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who has been a member of the senior management for a period of time and is familiar with our Company's business and affairs as company secretary.

We have appointed Ms. Liu Yihan ("**Ms. Liu**") and Mr. Cheung Kai Cheong Willie ("**Mr. Cheung**") as the joint company secretaries of our Company. Mr. Cheung is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom, and therefore meets the qualification requirements under Note 1 to Rule 3.28 of the Listing Rules and is in compliance with Rule 8.17 of the Listing Rules. Ms. Liu, however, does not possess the qualifications set out in Rule 3.28 of the Listing Rules. We believe that Ms. Liu, by virtue of her knowledge and experience in handling financial management and corporate development matters, is capable of discharging her functions as a joint company secretary. We therefore believe that it would be the best interests of our Company and of the corporate governance of our Group to appoint Ms. Liu as a joint company secretary. For more details of Ms. Liu and Mr. Cheung's biographical information, see "Directors, Supervisors and Senior Management" in this prospectus.

We have therefore applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules on the conditions that: (i) Ms. Liu must be assisted by Mr. Cheung, who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver will be revoked if there are material breaches of the Listing Rules by our Company. We expect that Ms. Liu will acquire the qualifications or relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the Listing. We will liaise with the

Stock Exchange before the end of the three-year period to enable it to assess whether Ms. Liu, having had the benefit of Mr. Cheung's assistance for three years and has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Tang Jinghua (湯敬華)	Room 1701, No.17, Chunshen Jingcheng II, Lane 1199, Xingmei Road, Minhang District, Shanghai	Chinese
Mr. Sun Qi (孫琪)	Room 301, No.501, Lane 1088, Xin Nan Road, Song Jiang District, Shanghai	Chinese
Non-executive Directors		
Mr. Yang Xiaoyuan (楊曉源)	No.186, Lane 99, Wending Road, Minhang District, Shanghai	Chinese
Mr. Tan Xiaobo (譚曉波)	Room 503, Building 3, No.188 Tongzhou Road, Hongkou District, Shanghai	Chinese
Mr. Chen Yulei (陳宇雷)	Room 102, No.1, Lane 38, Zhongcao Road, Xuhui District, Shanghai	Chinese
Ms. Ma Tiantian (馬天添)	Room 1903, No.5, Baohua City Star, Lane 18, Shiquan Road, Shanghai	Chinese
Independent non-executive Directors		
Mr. Liu Rong (劉榕)	No.8, Lane 999, Zhaojiabang Road, Xuhui District, Shanghai	Chinese
Mr. Wu Haipeng (吳海鵬)	Duplex Unit 503, Building 30, Mingzhu Garden, No.197 Minjiang Avenue, Jinshan Street, Cangshan District, Fuzhou City, Fujian Province	Chinese

Name	Address	Nationality
Mr. Mu Binrui (牟斌瑞)	Room 101, No.8, Lane 789, Yingkou Road, Yangpu District, Shanghai	Chinese
Mr. Sinn Wai Kin Derek (冼偉健)	Flat D, 5/F, Tower 21, 23 Fo Chun Road, Mayfair by the Sea, I Pak Shek Kok, Tai Po, New Territories	Chinese

SUPERVISORS

Name	Address	Nationality
Ms. Wu Yongzheng (伍永政)	Room 502, No.49, Lane 277, Guoding Road, Shanghai	Chinese
Ms. Xu Xiaodi (徐曉迪)	Room 502, No. 171, Lane 1200, Qianxin Road, Sheshan Town, Songjiang District, Shanghai	Chinese
Mr. Xiao Dong (肖東)	Room 1903, Building 11, Changfahaojun Garden, No. 233 Xingpu Road, Lujia Town, Kunshan City, Jiangsu Province	Chinese

For details of the biographies and other relevant information of the Directors and Supervisors, see "Directors, Supervisors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Sole Overall Coordinator	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Joint Global Coordinators	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	China Securities (International) Brokerage Company Limited 18/F Two Exchange Square 8 Connaught Place Central Hong Kong
	CMBC Securities Company Limited 45/F One Exchange Square 8 Connaught Place Central Hong Kong
	Orient Securities (Hong Kong) Limited 28/F-29/F 100 Queen’s Road Central Central Hong Kong

Joint Bookrunners

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

China Securities (International) Brokerage Company Limited
18/F
Two Exchange Square
8 Connaught Place
Central
Hong Kong

CMBC Securities Company Limited
45/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

Orient Securities (Hong Kong) Limited
28/F-29/F
100 Queen's Road Central
Central
Hong Kong

ABCI Capital Limited
11/F
Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

CCB International Capital Limited
12/F
CCB Tower
3 Connaught Road Central
Central
Hong Kong

China Everbright Securities (HK) Limited
33/F
Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited
20/F
Wing On Centre
111 Connaught Road
Central
Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower
3 Garden Road
Central
Hong Kong

DBS Asia Capital Limited
73/F, The Center
99 Queen's Road Central
Central
Hong Kong

GF Securities (Hong Kong) Brokerage Limited
27/F
GF Tower
81 Lockhart Road
Wan Chai
Hong Kong

ICBC International Securities Limited
37/F, ICBC Tower
3 Garden Road
Hong Kong

Shenwan Hongyuan Securities (H.K.) Limited
Level 6
Three Pacific Place
1 Queen's Road East
Hong Kong

Zhongtai International Securities Limited
19 Floor
Li Po Chun Chambers
189 Des Voeux Road
Central
Hong Kong

Joint Lead Managers

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

China Securities (International) Brokerage Company Limited
18/F
Two Exchange Square
8 Connaught Place
Central
Hong Kong

CMBC Securities Company Limited
45/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

Orient Securities (Hong Kong) Limited
28/F-29/F
100 Queen's Road Central
Central
Hong Kong

ABCI Securities Company Limited
10/F
Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

CCB International Capital Limited
12/F
CCB Tower
3 Connaught Road Central
Central
Hong Kong

China Everbright Securities (HK) Limited
33/F
Everbright Centre
108 Gloucester Road
Wanchai
Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited
20/F
Wing On Centre
111 Connaught Road
Central
Hong Kong

China Merchants Securities (HK) Co., Limited
48/F, One Exchange Square
8 Connaught Place
Central
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower
3 Garden Road
Central
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3 Garden Road
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1 Queen's Road East
Hong Kong

Zhongtai International Securities Limited
19 Floor
Li Po Chun Chambers
189 Des Voeux Road
Central
Hong Kong

Fosun International Securities Limited
Suite 2101-2105, 21/F, Champion Tower
3 Garden Road
Central, Hong Kong

Futu Securities International (Hong Kong) Limited
34/F
United Centre
No. 95 Queensway
Admiralty
Hong Kong

Guosen Securities (HK) Capital Company Limited
Suites 3207-3212 on Level 32
One Pacific Place
88 Queensway
Hong Kong

Livermore Holdings Limited
Unit 1214A
12/F, Tower II, Cheung Sha Wan Plaza
833 Cheung Sha Wan Road
Kowloon
Hong Kong

Tiger Brokers (HK) Global Limited
1/F
No. 308 Des Voeux Road Central
Sheung Wan
Hong Kong

TradeGo Markets Limited
Room 3405
West Tower, Shun Tak Centre
168-200 Connaught Road
Central
Hong Kong

Capital Market Intermediaries

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

China Securities (International) Brokerage Company Limited
18/F
Two Exchange Square
8 Connaught Place
Central
Hong Kong

CMBC Securities Company Limited
45/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

Orient Securities (Hong Kong) Limited
28/F-29/F
100 Queen's Road Central
Central
Hong Kong

ABCI Capital Limited
11/F
Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

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10/F
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3 Connaught Road Central
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33/F
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108 Gloucester Road
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Wan Chai
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1 Queen's Road East
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189 Des Voeux Road
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Hong Kong

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Suite 2101-2105, 21/F, Champion Tower
3 Garden Road
Central, Hong Kong

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Admiralty
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88 Queensway
Hong Kong

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833 Cheung Sha Wan Road
Kowloon
Hong Kong

Tiger Brokers (HK) Global Limited
1/F
No. 308 Des Voeux Road Central
Sheung Wan
Hong Kong

TradeGo Markets Limited
Room 3405
West Tower, Shun Tak Centre
168-200 Connaught Road
Central
Hong Kong

Legal Advisers to the Company

As to Hong Kong law:
Jingtian & Gongcheng LLP
Suites 3203-3207, 32/F, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong, China

As to U.S. laws:
Ashurst Hong Kong
43/F Jardine House
1 Connaught Place
Central
Hong Kong, China

As to PRC law:
Jingtian & Gongcheng
34/F, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District
Beijing
PRC

Legal Advisers to the Sole Sponsor and Underwriters

As to Hong Kong and U.S. laws:
O'Melveny & Myers
31/F, AIA Central
1 Connaught Road Central
Hong Kong, China

As to PRC law:
AllBright Law Offices
11, 12/F, Shanghai Tower
No. 501 Yincheng Middle Road
Pudong New Area Shanghai, PRC

Auditors and Reporting Accountants

KPMG
Certified Public Accountants
8/F, Prince's Building
10 Chater Road
Central
Hong Kong, China

Industry Consultant

Shanghai iResearch Co., Ltd.
3/F, Building H
Xuhui Wanke Center
No. 9333 Humin Road
Xuhui District
Shanghai
PRC

Receiving Banks	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong
	China Construction Bank (Asia) Corporation Limited 26/F, CCB Tower 3 Connaught Road Central Central Hong Kong
	Industrial and Commercial Bank of China (Asia) Limited 33/F, ICBC Tower 3 Garden Road Central Hong Kong

Registered Office in the PRC	Unit 418, Building 2, No. 508, Chundong Road, Minhang District, Shanghai, PRC
Headquarters and Principal Place of Business in the PRC	7DEF, Building G, Weijing Center, No. 2337 Gudai Road, Minhang District, Shanghai
Principal Place of Business in Hong Kong	40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, China
Company Website	**www.voicecomm.cn** *(Information contained on this website does not form part of this prospectus)*
Joint Company Secretaries	Ms. Liu Yihan (劉藝涵女士) Lane 748, Baochun Road Minhang District Shanghai Mr. Cheung Kai Cheong Willie (張啟昌先生) *(FCCA, CPA)* 40th Floor, Dah Sing Financial Centre No. 248 Queen's Road East Wanchai Hong Kong, China
Authorized Representatives	Mr. Tang Jinghua (湯敬華) Room 1701, No.17 Chunshen Jingcheng II, Lane 1199 Xingmei Road Minhang District Shanghai Ms. Liu Yihan (劉藝涵女士) Lane 748, Baochun Road Minhang District Shanghai

Audit Committee	Mr. Sinn Wai Kin Derek (冼偉健) *(Chairman)* Mr. Wu Haipeng (吳海鵬) Mr. Yang Xiaoyuan (楊曉源)
Remuneration Committee	Mr. Liu Rong (劉榕) *(Chairman)* Mr. Sinn Wai Kin Derek (冼偉健) Mr. Tang Jinghua (湯敬華)
Nomination Committee	Mr. Mu Binrui (牟斌瑞) *(Chairman)* Mr. Liu Rong (劉榕) Mr. Tang Jinghua (湯敬華)
Strategy Committee	Mr. Tang Jinghua (湯敬華) *(Chairman)* Mr. Sun Qi (孫琪) Mr. Chen Yulei (陳宇雷)
Compliance Advisor	**Maxa Capital Limited** 2602 Golden Centre 188 Des Voeux Road Central Sheung Wan, Hong Kong
H Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
Principal Bankers	**Bank of China Limited, Shanghai Minhang Sub-branch** 256 Xinjian Road Minhang District Shanghai **Agricultural Bank of China Limited, Shanghai Minhang Sub-branch** 58 Shuiqing South Road Shanghai

The information and statistics set out in this section and other sections of this prospectus were extracted from the report prepared by iResearch, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged iResearch to prepare the iResearch Report, an independent industry report, in connection with the Global Offering. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Overall Coordinator, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy.

Accordingly, you should not place undue reliance on such information. For risks relating to our industry, see "Risk Factors – Risks Relating to Our Industry" in this prospectus.

AI SOLUTION MARKET IN CHINA

Artificial Intelligence (AI) is a branch of computer science that studies and develops technologies applied to simulate and extend human intelligence. It is aimed at simulation of human perception, cognition, and thinking through algorithms and models, so as to realize human-like intelligence throughout the communication, thinking and execution processes.

With the surging trend of digitalization and intelligent transformation globally, AI is currently being integrated deeply with various industries, in which it is leading towards global technological innovations and development of new application scenarios. Therefore, AI has been regarded as the "next-generation infrastructure", being widely applied in areas including city management and administrative services, transportation, telecommunications, finance, healthcare and education, etc. According to the iResearch Report, the global AI solution market reached RMB1.4 trillion in 2023 and is expected to reach RMB4.3 trillion in 2028, at a CAGR of 24.1% from 2023 to 2028.

The AI solution market in China is now pioneering the global AI solution market with the highest growth rate, which has been strongly stimulated by continuous favorable industrial policies and constant accumulations of talents, patents and investments, among other development resources, into the area. According to the iResearch Report, the AI solution market in China reached RMB272.4 billion in 2023 and is expected to reach RMB761.2 billion in 2028, at a CAGR of 22.8% from 2023 to 2028.

The AI solution market in China can be categorized into segments including conversational AI solutions, computer vision AI solutions and AI general technologies solutions. The following sets forth the definition and major applications of these three categories of technologies:

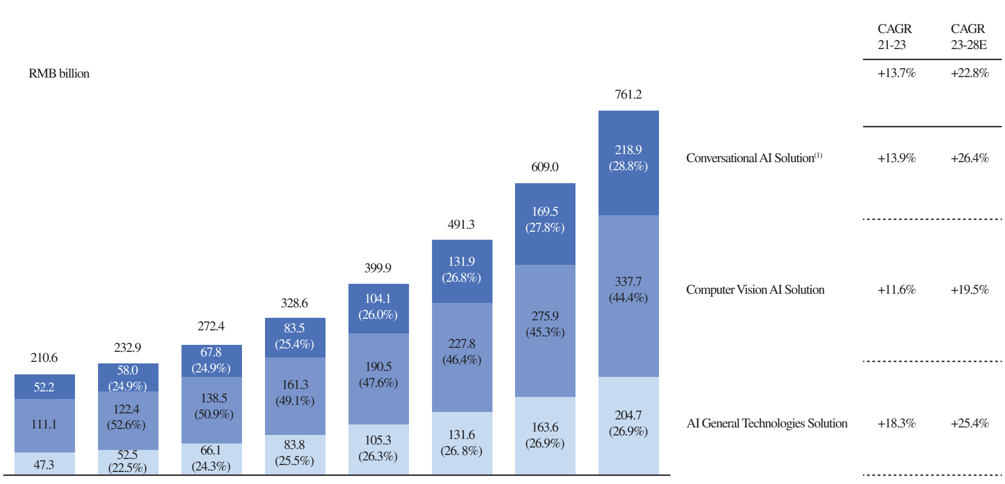
- **Conversational AI** comprises the complex of technologies that enable machines to understand the intent behind natural languages and, through effective human-machine interactions, respond to human beings or execute various tasks assigned by human beings. It realizes speech-based communications between human beings and machines by combining technologies including unified communications, automatic speech recognition, emotion recognition, natural language processing and text to speech.

- **Computer Vision AI** enables cameras and computers to identify, track and measure images and videos in lieu of human eyes, through which it allows extraction of valuable information and data, and performance of tasks such as analyses and automation.

- **AI General Technologies** refer to those key generally applicable AI technologies other than conversational AI and computer vision AI, such as machine learning, which can also play an important role in the aforementioned two areas.

According to the iResearch Report, conversational AI solutions accounted for 24.9% of the AI solution market in China in 2023. This share expected to increase to 28.8% in 2028. The conversational AI solution market in China is expected to grow at a CAGR of 26.4% from 2023 to 2028, making it the fastest-growing segment among all three segments.

Market Size of AI Solution Market in China by Segment, 2021-2028E[(2)]



Source: iResearch Report

Notes:

(1) Conversational AI solutions referred to in this prospectus also include IT solutions that, besides core conversational AI technologies defined below, are additionally empowered by unified communications and/or other AI technologies.

(2) The market size is calculated based on revenue from sales of software, hardware, and supporting services. In the case of AI general technologies solutions being applied to conversational AI or computer vision AI solutions, they were taken into account when calculating the respective market size of conversational AI or computer vision AI solutions within China's AI solution market. Numbers of each item may not add up to the total due to rounding.

MARKET OF IT SOLUTIONS EMPOWERED BY CONVERSATIONAL AI & UC IN CHINA

According to the iResearch Report, the conversational AI solution market in China can be divided into that of enterprise-level conversational AI solutions and consumer-level conversational AI solutions based on the type of target users, among which:

- **Enterprise-Level Conversational AI Solutions** target organizations, including corporations and government entities, and aim to offer solutions based on conversational AI technologies applied in various end-customer industries. By being integrated with organizations' business procedures on production, sales and post-sales services, etc., such solutions are to improve their communication efficiency and facilitate the intelligent transformation of their operations, so as to achieve cost-efficiency.

- **Consumer-Level Conversational AI Solutions** aim at providing individual consumers with conversational AI-empowered solutions that can be used in daily application scenarios to achieve human-machine interactions and device control.

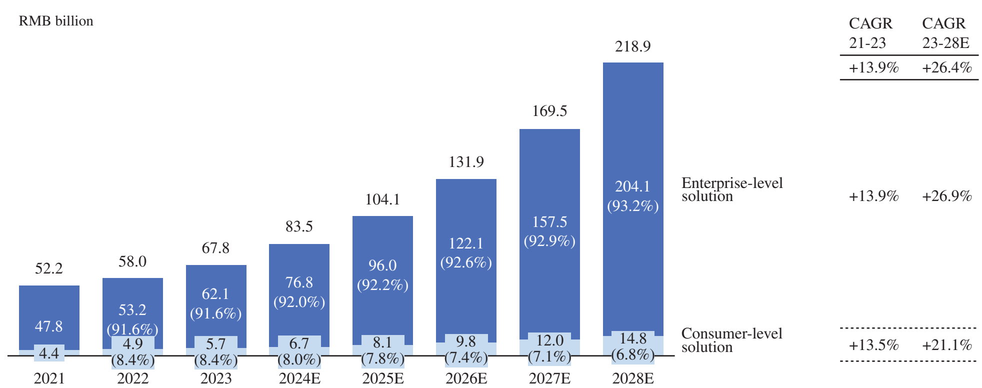
The following table illustrates a comparison between the current application status of enterprise-level conversational AI solutions and consumer-level conversational AI solutions:

	Enterprise-Level conversational AI Solution	Consumer-Level conversational AI Solution
Technical threshold Assessed by the type of technologies required to meet the minimum usage requirements	High	Low
Development investment requirements Assessed by the average R&D investment of solution providers	High	Low
Technology maturity Assessed by current demand satisfaction in various application scenarios	Medium	Medium
Commercialization potential Assessed by the size of the potential serviceable market	High	Low
Anti-cyclicality Assessed by revenue model and key factors that affect market payment	High	Low
Market competition Assessed by the number of market participants and whether there is an oligopoly or monopoly market	Low	High

Source: iResearch Report

According to the iResearch Report, the market growth of consumer-level conversational AI solutions depends substantially on consumers' willingness for spending on the smart devices into which the conversational AI technologies are embedded. By contrast, enterprise-level conversational AI solutions in China are pertinent to more diversified application scenarios in the course of enterprise-level users' digitalization and intelligent transformation, thus having higher commercial values in comparison with the former. In 2023, the enterprise-level conversational AI solution market in China reached RMB62.1 billion, and is expected to reach RMB204.1 billion in 2028, at a CAGR of 26.9% from 2023 to 2028. However, the penetration rate of enterprise-level conversational AI solutions in China, calculated based on the proportion of enterprise-level users that have deployed conversational AI solutions, was merely 11.6% in 2023, which is expected to increase to 16.2% in 2028.

Market Size of IT Solutions Empowered by Conversational AI & UC in China (Enterprise-Level vs. Consumer-Level), 2021-2028E*



Source: iResearch Report

Note:

* The market size of enterprise-level conversational AI solution market is calculated based on revenue from sales of relevant software and hardware, as well as other related supporting services, to enterprise-level users. The market size of consumer-level conversational AI solution market takes into account the output value of algorithms for AI speech assistant embedded in smart hardware in China, the forms of which include API calls or technological outputs, etc. Numbers of each item may not add up to the total due to rounding.

Enterprise-Level Conversational AI Leads Technological Innovations in China's Conversational AI Solution Market

According to the iResearch Report, the AI technologies key to conversational AI solutions include speech-related core conversational AI technologies, i.e., automatic speech recognition (ASR), emotion recognition, natural language processing (NLP) (primarily consisted of natural language understanding (NLU) and natural language generation (NLG)) and text to speech (TTS), as well as AI general technologies that can be applied in speech and semantic analysis, the details of which are set forth below:

- **ASR** converts human speech signals into corresponding computer-readable inputs such as texts, through speech signal processing and pattern recognition based upon parameters of speech features. ASR includes such key technological areas as voiceprint recognition, accent adaptation, end-to-end recognition, and low-power recognition, etc.

- **Emotion Recognition** suggests the current emotion states of human through collecting speech, facial expression, gestures and other physiological characteristics, as well as the analysis and processing of the same. Specifically, emotion recognition extracts the acoustic features expressing emotions from speech signals and establishes the mapping relationship between such features and human emotions, so as to realize the automatic recognition of the latter.

- **NLU** allows machines to understand the meaning of human languages through mapping users' inputs into the semantic slots predefined according to different scenarios, which covers the analyses of human pronunciation, vocabulary, grammar, semantics and pragmatics, as well as reasonings and logics.

- **NLG** transforms the abstract expressions output by machines into syntactically sensible and semantically accurate natural language utterances, which covers such key steps as content determination, text structuring, sentence aggregation, lexicalization, referring expression generation and linguistic realization.

- **TTS** realizes human-machine speech interactions by firstly generating speech parameters based on models, and then converting such parameters into natural speech streams, thereby giving machines the ability to talk.

In addition to the abovementioned core conversational AI technologies, enterprise-level conversational AI solutions can be substantially empowered by technologies on unified communications (UC), which represent a new mode of communications that integrates computer technologies with traditional communication technologies. Unified communications realize the connection and integration of multi-standard communication methods through gateways, and provide full-service support covering audios, videos, data and multimedia, etc., thereby enhancing the level of communication flexibility and efficiency. The high synergies between unified communications and AI technologies for enterprise-level conversational AI lie in the fact that, in order for the solutions to truly improve enterprises' communication efficiency and facilitate the intelligent transformation of their operations on a one-stop basis, a complete and seamless human-machine dialogue process has to be enabled. Such a process necessitates the integration of signal input before human-machine dialogue for the interaction to be made and signal output after human-machine dialogue for the execution to be implemented, so that the application value of the processing activities realized by core conversational AI technologies can be considerably amplified. As such, for enterprise-level users of conversational AI solutions that require high standards of scale, efficiency and quality in speech signal input and output, unified communications can effectively support and ensure the said steps crucial for a complete human-machine dialogue process. For details of the value of unified communications in addressing the pain points experienced by enterprise-level users of conversational AI solutions in China, see "– Market of Full-Stack Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China" in this section.

Enterprise-level conversational AI solutions need to be deeply integrated with applications scenarios of users from different end-customer industries, and are expected to continuously improve user experiences in cross-industry, cross-area, and cross-department business settings. As such, enterprise-level conversational AI solutions carry higher technological requirements compared with consumer-level conversational AI solutions with respect to recognition accuracy, response speed, system stability and ability to deal with high concurrencies, etc., therefore necessitating large-scale development expenditures. Furthermore, in contrast to consumer-level conversational AI solutions featured by a single round of conversation mostly in absence of mandatory technological parameters, enterprise-level conversational AI solutions need to be equipped with the capabilities of making multiple-round meaningful conversations to truly and accurately understand users' semantics and intent, and accordingly generate the accurate answers. Currently, enterprise-level conversational AI is hence leading the technological innovations and application diversification of conversational AI in China.

Growth Drivers of China's Enterprise-Level Conversational AI Solution Market

Stimulated by China's favorable industrial policies facilitating the digitalization of organizations on the supply side, and the significant economic scale and considerable social activity level giving rise to a rich variety of application scenarios on the demand side, growth of the enterprise-level conversational AI solution market in China is primarily driven by:

- **Organization Digitalization.** The digitalization of organizations in China is already a major trend. In 2022, the digital economy in China reached RMB50.2 trillion, accounting for 41.5% of the total GDP and substantially impacting the overall economy. As a crucial pathway for and process of organization digitalization, enterprise-level conversational AI solutions facilitate organizations' cost-effective operations and improve the overall recognition of their commercial value and their monetization abilities. Firstly, organizations' digitalization necessitates unified communication technologies enabling the inbound and outbound communications of information generated during their operations in various formats, such as audios, texts, images, videos, and a combination of the same. Such unified communication capabilities enrich organizations' information exchanged, expand their forms of communications and improve their communication efficiency. In addition, organizations' accumulation of insights in the aforementioned multimodal forms through the digitalization trend further assists the efficient, speedy and scenario-oriented research and development of novel algorithms and optimization of machine learning models.

- **Technological Improvements.** With the evolvement of core intelligent-speech technologies, the boundaries of enterprise-level conversational AI with respect to the value it is able to create have been constantly extended. Originated from the simple Q&A interactions between human beings and machines, enterprise-level conversational AI solutions have gradually evolved to integrate knowledge engineering capabilities, such as knowledge base and knowledge graphs, and emotion computing models, which have equipped machines with solid knowledge background and the ability to conceive human emotions. Such progress has been efficiently automating business operations and enhancing enterprise-level user experiences, and further driving the ongoing expansion of the enterprise-level conversational AI solution market in China.

- **Application Scenarios Expansion and User Experience Enhancement.** As the application scenarios of human-machine interactions continue to deepen and broaden, enterprise-level conversational AI solutions have been empowering business operations through technological offerings, with innovative ones with higher cognitive abilities and tighter integration with downstream applications being actively explored. Benefitting from the foregoing, incremental markets have gradually been emergent. In addition, enterprise-level users have developed more diversified and demanding needs for the level of intelligence, flexibility and efficiency enabled by conversational AI solutions in the course of industrial upgrading, intensification of market competitions and updates in management notions, whereby differentiated market demand and continuously improved user experiences further stimulating the development of enterprise-level conversational AI solutions.

- **Favorable Industrial Policies.** Enterprise-level conversational AI acts as the key infrastructure that integrates the digital and real sectors of the Chinese economy. In recent years, favorable policies supporting the development of digital economy, unified communications and AI technologies have been released in succession, in order to encourage the development and commercialization of the relevant technologies. The following table illustrates a number of major favorable industrial policies:

Policies	Issuance Date	Issuer	Description
Plan for the Overall Layout of Building a Digital China (《數字中國建設整體佈局規劃》) (the "**Plan**")	February 2023	Central Committee of the Communist Party of China, the State Council	The Plan clarifies that the construction of digital China will be laid out in accordance with the overall framework of "2522", by, among others, solidifying the "two foundations" of digital infrastructure and data resource systems.
Opinions on Building a Basic Data System to Better Fulfill the Functions of Data Elements (《關於構建數據基礎制度更好發揮數據要素作用的意見》) (the "**Opinions**")	December 2022	Central Committee of the Communist Party of China, the State Council	The Opinions propose to, among others, fully leverage China's advantages of vast data scale and diverse application scenarios, and scale up, strengthen and optimize China's digital economy.
Notice on Supporting the Construction of a New Generation of AI Exemplary Application Scenarios (《關於支持建設新一代人工智能示范應用場景的通知》) (the "**Notice**")	August 2022	Ministry of Science and Technology	The Notice proposes to, among others, fully harness AI's role of empowering economic and social development, and support a group of AI application scenarios with relatively mature accumulations.

Policies	Issuance Date	Issuer	Description
Guiding Opinions on Accelerating Scenario Innovation to Promote High-Quality Economic Development Through Advanced AI Applications (《關於加快場景創新以人工智能高水平應用促進經濟高質量發展的指導意見》) (the "**Guiding Opinions**")	July 2022	Ministry of Science and Technology, the MIIT, etc.	The Guiding Opinions, among others, propose the theme of deep integration of AI and the real economy, and the direction of opening up scenario resources and enhancing scenario innovation capabilities.
Guidelines for the Construction of a New Generation of National Open Innovation Platforms for AI (《國家新一代人工智能開放創新平台建設工作指引》) (the "**Guidelines**")	July 2017	Ministry of Science and Technology	The first batch of a new generation of national open innovation platforms for AI released pursuant to the Guidelines included such platforms as related to autonomous driving, city brain and intelligent speech, etc.

In addition, the *Plan for Development of Digital Economy during the "14th Five-Year" Period* (《"十四五"數字經濟發展規劃》) issued by the State Council in December 2021 specifically singles out the development of digital economy and sets raising the added-value of core digital economy industries to account for 10% of the GDP by 2025 as a major objective. It also highlights facilitating China's strength in cyberspace, accelerating digital economy, digital society and digital government construction, and evolutionizing economic production, social lifestyle and governance patterns through digital transformation. In addition to calling for development in key fields such as AI, big data and cloud computing, it, among others, proposes the planning and construction of new type of infrastructure such as information infrastructure, integrated infrastructure and innovative infrastructure, centered upon enhancing the digital transformation, intelligent upgrading and integrated innovations.

In addition to the aforementioned key drivers, the enterprise-level conversational AI solution market in China may be further catalyzed by the development of large language models (LLMs) in the broader conversational AI field and the emergence of any disruptive market players. As a model that may potentially lead to the development of artificial general intelligence, LLMs have become a prominent topic in the AI industry in recent years as they have shown remarkable capabilities in natural language understanding and generation. Particularly, LLMs have received huge public attention since the end of 2022 with the launch of several ground breaking LLM-based products.

Market of Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China by End-Customer Industries

Enterprise-level conversational AI solutions can be widely applied in a number of representative end-customer industries such as city management and administration, automotive and transportation, telecommunications, and finance, where conversational AI technologies empower various types of organizations to optimize their business procedures and iterate their business paradigms, thereby improving their operation efficiency and reducing operating costs. Specifically,

- **City Management and Administration.** Conversational AI empowers local administrators' improving their civil governance and facilitating industrial development, as well as other related missions, i.e., upgrading of administrative services, intelligent interconnection and scheduling of administrative facilities, and establishment of regional intelligent technological infrastructure.

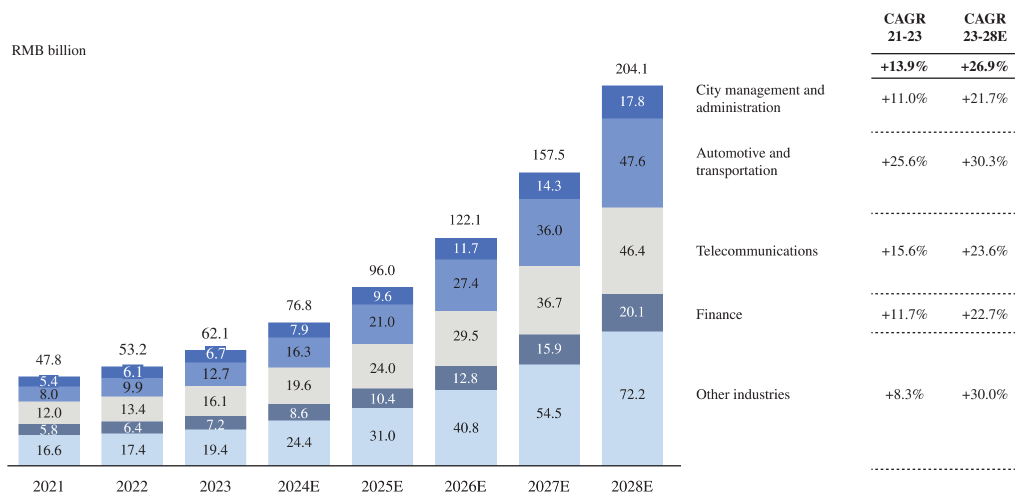
- **Automotive and Transportation.** Conversational AI empowers the automobile and logistics industries and the public transportation system through the intelligent transformation of customer services of automobile and logistics companies, and the realization of internet of vehicles based upon human-vehicle intelligent in-cabin speech interactions and vehicle-to-everything autonomous driving.

- **Telecommunications.** Conversational AI empowers telecommunications companies and users of their services through the intelligent transformation of customer services of telecommunications companies and communication tools offered to enterprises for the latter's communication and management needs.

- **Finance.** Conversational AI empowers financial institutions through the intelligent transformation of their customer communication-related services and their employment training and management.

- **Other Industries.** Conversational AI solutions can also be widely applied to other industries, such as education, healthcare, tourism, the media, E-commerce and retailing, etc.

Market Size of Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China by End-Customer Industries, 2021-2028E*



Source: iResearch Report

Note:

* Numbers of each item may not add up to the total due to rounding.

Market of Full-Stack Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China

Despite the surge in demand for enterprise-level conversational AI applications and optimistic market growth prospects, China's enterprise-level conversational AI solution market is currently still experiencing a number of pain points in fundamentally addressing the needs of enterprise-level users. Such pain points make it especially challenging for non-full-stack providers, i.e., those who focus merely on the development and commercialization of certain single-point conversational AI technological segments, yet some or all of the unified communication and essential AI algorithm capabilities are realized by integrating with third-party providers, to truly and effectively satisfy enterprise-level users' needs. Specifically, it may not be possible for such non-full-stack solution providers to allow enterprise-level users to enjoy:

- **One-Stop Service.** Considering enterprise-level users' needs of conversational AI empowerment on a one-stop basis, each product under non-full-stack solutions is independently designed and developed by different providers. Such fragmentation of products and providers will lead to issues with product compatibility, lower overall system efficiency and cause substantial post-integration maintenance, etc., with data silos left unconnected.

- **Convenient Application-Scenario Expansion.** Notwithstanding that users often need the solutions to be highly scalable across various scenarios, non-full-stack solution providers may not be able to realize the uniform management of the resulting solutions due to the fact that each integrated software is associated with its own management and monitor platform, making it challenging to deliver a "ready-to-use-whenever-needed" user experience.

- **In-Depth Service.** With respect to the users who need the solutions to cover both the establishment of underlying technological infrastructure and upper-layer AI-empowerment of applications, non-full-stack solutions are nevertheless generally limited to the application layer, and their providers are hence unable to optimize the overall system according to the specific application scenarios.

- **Selectable Delivery.** Users ultimately choose the delivery, e.g. privatized deployment, cloud-based subscription or a combination of the same, based on various considerations such as business stability, data security, available budget, deployment locality and technological iterations, etc. However, it is difficult for non-full-stack solution providers to deliver their solutions flexibly to meet the rapidly iterative business needs of users.

- **Cost Efficiency.** According to the iResearch Report, the total cost of ownership of procuring and integrating multiple non-full-stack solutions is about 15%-30% higher than full-stack solutions due to functional redundancy and lack of standardization, causing substantial additional cost of use and operation and maintenance costs. Besides, the potential improvement for business operations' efficiency enabled by such multiply integrated solutions may not meet users' expectations, thus leading to uncertain return on investment.

In order to fundamentally address these key pain points and challenges, market players in China's enterprise-level conversational AI solution market are increasingly seeking for "full-stack" solutions, developed and offered by conversational AI solution providers that possess proprietary unified communication and essential AI algorithm capabilities with the ability to self-develop conversational AI applications which have achieved large-scale commercialization. The following table illustrates the comparison between full-stack enterprise-level conversational AI solution providers and their non-full-stack counterparts with respect to addressing the pain points discussed above:

	Full-stack Conversational AI solution providers	Non-full-stack Conversational AI solution providers
One-stop service capability	Full-stack solution providers can offer one-stop service from communication infrastructure to front-end application for users	The technological support or services offered by non-full-stack solution providers are to be integrated with other similar providers to aggregately enable a full-stack conversational AI solution
Option Availability	Due to the all-encompassing nature of full-stack solutions, users will compromise their autonomy while implementing the project with respect to technological specifications	Users can discretionarily choose from non-full-stack solution providers (including that on communication infrastructure) to allow focused customization and wide choices of specific solutions that they may need
Application-scenario expansion capability	Full-stack solutions may cover various scenarios through follow-up application development	The application scenarios that can be expanded by non-full-stack solution providers are contingent upon the infrastructure of the integrated third-party platform or the coding capabilities on the integrators
Service depth	Full-stack solution providers may comprehensively adapt to user needs in terms of communication quality, optimization by scenario-specific AI algorithms, etc.	The depth of service of non-full-stack solution providers depends upon the specific technological segments that they are able to empower, on which they are yet able to offer advantageous solutions tailored to users' the particular need for the same
Delivery selectability	Full-stack solution providers are usually able to deliver their solutions in the form as selected by the specific users	Non-full-stack solution providers are usually able to deliver their solutions in identical form according to their technological specialty
Cost efficiency	Full-stack solutions from the infrastructure layer to the application layer can save external procurement costs	Non-full-stack solutions may result in substantial additional cost of use and operation and maintenance costs
Device compatibility	Full-stack solution providers have advantages especially for the conversational AI empowerment of old hardware devices due to compatibility with multiple communication protocols	Non-full-stack solution providers are generally unable to empower old hardware devices with conversational AI abilities due to a lack of unified communication capabilities

Source: iResearch Report

As can be seen, full-stack enterprise-level conversational AI solution providers have comprehensive advantages over non-full-stack enterprise-level conversational AI solution providers with respect to one-stop service capability, application-scenario expansion capability, service depth, delivery selectability, cost efficiency realized for users, and device compatibility. In particular, due to the higher requirements by major users in the market (including large enterprises and government entities) thereon, it is expected that full-stack solution providers will seize greater market opportunities by fully exercising their technological advantages.

In addition to the disparities with respect to addressing the pain points discussed above, please see below for a further comparison between full-stack enterprise-level conversational AI solution providers and non-full-stack enterprise-level conversational AI solution providers in terms of capital investment, technical expertise, pricing and qualifications, according to the iResearch Report. The comparison below is made only by virtue of the fact that full-stack enterprise-level conversational AI solution providers and non-full-stack enterprise-level conversational AI solution providers provide full-stack enterprise-level solutions and non-full-stack enterprise-level solutions, respectively, and may not be indicative of any comparison between two concrete enterprise-level conversational AI solution providers that are contingent upon the specific customer groups, research and development regimes, and solution offerings etc., involved. Specifically:

- **Capital Investment.** To develop complete solutions based upon core technologies in both unified communication and AI, full-stack enterprise-level conversational AI solution providers generally have to invest in wider range of technological segments than non-full-stack enterprise-level conversational AI solution providers, when achieving equivalent service outcomes and scale, whose solutions based upon their expertized technological segments have to be integrated with that of other providers.

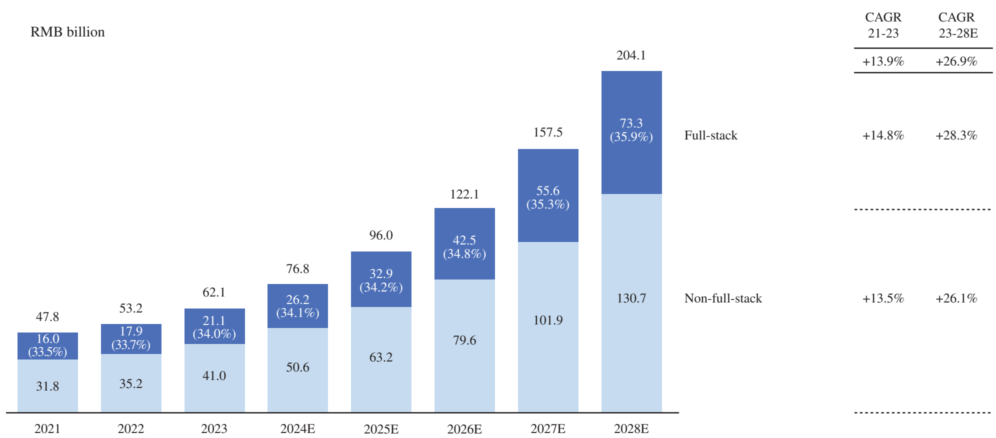
- **Technical Expertise.** As mentioned above, full-stack enterprise-level conversational AI solution providers possess proprietary unified communication and essential AI algorithm capabilities with the ability to self-develop conversational AI applications, whereas non-full-stack enterprise-level conversational AI solution providers focus on single-point conversational AI technological segments, yet some or all of the unified communication and essential AI algorithm capabilities are realized by integrating with solutions of other providers.

- **Pricing.** Without considering the specific competitive strategies and business models of different conversational AI solution providers, wider range of proprietary technologies under full-stack enterprise-level conversational AI solutions need to be priced than that under non-full-stack enterprise-level conversational AI solutions. Users have to invest additionally if they want to access the complete range of functionalities when they deploy non-full-stack conversational AI solutions.

- **Qualifications.** The attainment of certain qualifications is essentially an autonomous action of enterprise-level conversational AI solution providers in association with their intended scope of business, operational capacities and technological capabilities, without mandatory industry-entry standards. Common qualifications within the industry include Software Enterprise Certificate (軟件企業認定證書), Quality Management System Certificate (質量管理體系認證證書), Information Technology Service Standard (ITSS) Certificate (信息技術服務標準證書), High and New Technology Enterprise Certificate (高新技術企業證書), etc. Full-stack enterprise-level conversational AI solution providers involved in telecommunications services may, as required or as relevant, possess VAT License (增值電信業務經營許可證).

The size of the full-stack enterprise-level conversational AI solution market in China is expanding significantly, with robust business value and considerable growth potentials. According to the iResearch Report, the full-stack enterprise-level conversational AI solution market in China is expected to grow from RMB21.1 billion in 2023 to RMB73.3 billion in 2028, at a CAGR of 28.3% from 2023 to 2028, which is higher than the 26.1% CAGR of the non-full-stack enterprise-level conversational AI solution market in China during the same years.

Market Size of Full-Stack Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China (Full-Stack vs. Non-Full-Stack), 2021-2028E*



Source: iResearch Report

Note:

* Numbers of each item may not add up to the total due to rounding.

Competitive Landscape

According to the iResearch Report, our competitors in China's enterprise-level conversational AI solution market can be divided into the following categories: (i) companies that have transitioned from communication technology services to AI research and development and thus have full-stack service capabilities; (ii) traditional communication technology service companies; (iii) intelligent speech and semantic companies; and (iv) general AI companies. According to the iResearch Report, we rank the sixth in the enterprise-level conversational AI solution market in China as measured by revenue in 2023. The respective comparable revenue and market share of each of the top ten solution providers in such market is shown in the following table:

Ranking	**Company**	**Comparable Revenue in 2023**	**Market Share in 2023**
		(RMB billion)	*(%)*
1	Company G[(1)]	5.58	9.0
2	Company A	2.77	4.5
3	Company H[(2)]	1.35	2.2
4	Company I[(3)]	0.93	1.5
5	Company J[(4)]	0.90	1.5
6	Voicecomm	0.80	1.3
7	Company K[(5)]	0.73	1.2
8	Company L[(6)]	0.60	1.0
9	Company B	0.40	0.6
10	Company C	0.30	0.5
	Top ten in total	**14.36**	**23.3**

Notes:

(1) Company G is a leading provider of information and communications technology (ICT) infrastructure and smart devices. Company G is a private company founded in 1987 and headquartered in Shenzhen.

(2) Company H, listed on the NASDAQ Exchange in 2005 and dual-listed on the Stock Exchange in 2021, is a leading technology company, specializing in internet-related services, products, and AI. Company H was founded in 2000 and is headquartered in Beijing.

(3) Company I, listed on the New York Stock Exchange in 2014 and dual-listed on the Stock Exchange in 2019, is a leading provider of e-commerce and technology infrastructure services. Company I was founded in 1999 and is headquartered in Hangzhou.

(4) Company J, listed on the Stock Exchange in 2004, is a leading provider of internet value-added services. Company J was founded in 1998 and is headquartered in Shenzhen.

(5) Company K is a leading provider of intelligent voice technology and AI solutions. Company K is a private company founded in 2012 and headquartered in Beijing with a registered capital of approximately RMB69 million.

(6) Company L is a professional conversational AI solution provider offering both enterprise-level solutions and consumer-level smart devices. Company L is a private company founded in 2007 and headquartered in Suzhou with a registered capital of approximately RMB360 million.

According to the iResearch Report, we rank the second in the full-stack enterprise-level conversational AI solution market in China, as measured by comparable revenue in 2023. The combined market share of the top five providers account for 21.1% within China's full-stack enterprise-level conversational AI solution market. The respective comparable revenue and market share of each such provider in 2023 is shown in the following table:

Ranking	**Company**	**Comparable Revenue in 2023**	**Market Share in 2023**
		(RMB billion)	*(%)*
1	Company A[(1)]	2.77	13.1
2	Voicecomm	0.80	3.8
3	Company B[(2)]	0.40	1.9
4	Company C[(3)]	0.30	1.4
5	Company D[(4)]	0.18	0.9
	Top five in total	**4.45**	**21.1**

Notes:

(1) Company A, listed on the Shenzhen Stock Exchange in 2008, is a leading player in the field of NLP technologies in China, and provides a wide range of AI-enabled software, systems and services such as speech recognition, voiceprint recognition, language translation and intelligent speakers for use in various applications. Company A was founded in 1999 and is headquartered in Hefei, Anhui with a registered capital of approximately RMB2,323 million.

(2) Company B is a leading provider of intelligent customer service management software and solutions across various industries in China. Company B is a private company founded in 2013 and headquartered in Beijing with a registered capital of approximately RMB100 million. In 2022, Company B was included in the "National-Level Specialized, Refined, Distinctive and Innovative 'Small Giant' Enterprises (SRDI) (國家級專精特新"小巨人")" list and became a member of the Chinese Association for Artificial Intelligence (中國人工智能學會).

(3) Company C is a leading provider of intelligent contact center, customer service and enterprise communication products and solutions in China. Company C is a private company founded in 2016 and headquartered in Hangzhou with a registered capital of approximately RMB10 million. Company C was included in the "Key Programs of AI-Precisely-Empowered SMEs (AI精准賦能中小企業重點方案)" by the Department of Science and Technology of the MIIT of the PRC (工業和信息化部科技司) in 2021, and was selected as one of the "Outstanding Cases of Customer Service Center Application of 2022 (2022客服中心應用優秀案例)" by the Artificial Intelligent Industry Alliance of China (中國人工智能產業發展聯盟) in 2022.

(4) Company D is a leading provider of intelligent customer service solutions in China, specializing in AI-empowered chatbot and voice assistant technologies. Company D is a private company founded in 2014 and headquartered in Beijing with a registered capital of approximately RMB16 million. Company D completed its Series D financing of USD100 million in February 2022.

The following table sets forth the respective comparable revenue and market share of each top provider in China's full-stack enterprise-level conversational AI solution market for city management and administration in 2023:

Ranking	**Company**	**Comparable Revenue in 2023**	**Market Share in 2023**
		(RMB billion)	*(%)*
1	Voicecomm	0.32	14.2
2	Company A	0.12	5.3
3	Company F*	0.02	0.9
	Top three in total	**0.46**	**20.4**

Note:

* Company F is a leading intelligent technology company in China. With core competencies in AI, big data and cloud computing, Company F is committed to helping China's digitalization process and provides digital solutions for enterprises across finance, retailing, education, medical care and intelligent manufacturing, among other industries. Company F is a private company founded in 2007 and headquartered in Beijing with a registered capital of approximately RMB1.4 billion. Company F is a national High and New Technology Enterprise and High and New Technology Enterprise in Zhongguancun, and was included in the "Beijing Specialized, Refined, Distinctive and Innovative 'Small Giant' Enterprises (北京市專精特新"小巨人")" list.

The following table sets forth the respective comparable revenue and market share of each top provider in China's full-stack enterprise-level conversational AI solution market for automotive and transportation in 2023:

Ranking	Company	Comparable Revenue in 2023	Market Share in 2023
		(RMB billion)	*(%)*
1	Company A	0.75	17.4
2	Voicecomm	0.19	4.4
3	Company E*	0.06	1.4
	Top three in total	**1.00**	**23.2**

Note:

* Company E, listed on the Stock Exchange in 2022, is a leading provider of customer contact solutions for enterprises in China. Company E was founded in 2006 and is headquartered in Beijing with a registered capital of approximately RMB52 million.

The following table sets forth the respective comparable revenue and market share of each top provider in China's full-stack enterprise-level conversational AI solution market for telecommunications-related applications in 2023:

Ranking	Company	Comparable Revenue in 2023	Market Share in 2023
		(RMB billion)	*(%)*
1	Company A	0.58	10.6
2	Voicecomm	0.17	3.1
3	Company D	0.02	0.4
	Top three in total	**0.77**	**14.1**

The following table sets forth the respective comparable revenue and market share of each top provider in China's full-stack enterprise-level conversational AI solution market for finance-related applications in 2023:

Ranking	Company	Comparable Revenue in 2023	Market Share in 2023
		(RMB billion)	*(%)*
1	Company A	0.14	5.7
2	Company B	0.10	4.1
3	Voicecomm	0.08	3.3
	Top three in total	**0.32**	**13.1**

The key successful factors with respect to the aforementioned enterprise-level conversational AI solution market in China primarily include:

- **Technologies Accumulation.** Technologies for enterprise-level conversational AI solutions, such as UC, ASR, emotion recognition, NLU, NLG and TTS, as well as AI general technologies, are charged with significant technological requirements, and featured by high difficulties, long cycle and great expenditures with respect to technological research and development. Therefore, new market entrants face great difficulty in achieving practicable and sufficient technology accumulations in a short period of time, and existing enterprise-level conversational AI solution providers lacking the capabilities in technological development and iteration may also lose their competitive edges.

- **Industry Knowledge.** Conversational AI solutions are applied in city management and administration, automotive and transportation, telecommunications, finance and other end-customer industries. Each industry accordingly requires in-depth knowledge of the technological adjustment, solution design, and service process unique thereto. Therefore, early movers with abundant industry knowledge accumulations from previous project experiences usually deliver solutions and accompanying services of higher quality and better consistency, thus forming a competitive advantage over new market entrants.

- **Customer Base.** Existing enterprise-level conversational AI solution providers dedicated to such solution offerings are also able to enhance their technological development capabilities, speed up their model and algorithm training processes, accumulate end-customer industry know-how and improve capabilities of serving enterprise-level users through ample project implementation experiences, so as to realize the establishment and accumulation of product modules and solutions in a technology-oriented fashion. Benefitting from such conversational AI solution offerings proven to be of high quality, they can more easily acquire new customer orders and establish customer loyalty. In contrast, new market entrants are constrained by their insufficient service experiences and may not be able to sustainably acquire orders in a short period of time.

- **Capital Sufficiency.** Due to the aforementioned technological requirements, competitors in the enterprise-level conversational AI solution market are required to devote huge capital investments in the establishment of strong technological R&D teams by attracting highly qualified, skilled and multi-disciplinary professionals experienced in conversational AI technologies. In addition, enterprise-level conversational AI solution providers may be influenced by the internal budget management, as well as bidding and other approval processes, of various enterprise-level users. Therefore, new market entrants are challenged by such capital barrier and requirements on working capital sufficiency.

MAJOR RAW MATERIAL ANALYSIS

The raw materials involved in conversational AI solutions primarily include (i) common and standardized hardware devices (communication devices, computers and servers); and (ii) network and telecommunication resources. The historical prices of hardware devices are generally stable from 2021 to 2023, which is beneficial for the business development of conversational AI solution providers. According to the iResearch Report:

- The global prices of smart phones, as measured by average wholesale price, decreased from USD304.6 in 2021 to USD293.4 in 2023, representing a CAGR of -1.9% from 2021 to 2023.

- The global prices of typical computing devices including desktop PCs, laptops, and storage units have been relatively stable from 2021 to 2023. Detailed global average prices of computing devices are set out below:

	For the Year Ended December 31,		CAGR From 2021 to 2023
	2021	**2023**	
	USD	*USD*	*%*
Desktop PCs	623.4	625.8	0.2
Laptops	639.3	637.1	(0.2)
Storage units	13.5	14.1	2.2

- The global average price of servers increased from USD8,048.7 in 2021 to USD10,427.1 in 2023, representing a CAGR of 13.8% from 2021 to 2023. The price of servers worldwide generally saw a surge attributed to increased demand driven by escalating technological advancements, supply chain disruptions, and rising infrastructure costs.

The price of network and telecommunication resources generally had a steady decreasing trend from 2021 to 2023. The average price of network and telecommunication resources in China as measured by the average revenue generated therefrom per user of three major telecommunications companies in China decreased from RMB418.5 in 2021 to RMB412.9 in 2023, according to the iResearch Report.

SOURCES OF INFORMATION

We commissioned iResearch, an independent market research and consulting firm, to provide an analysis of, and to produce a report (the "**iResearch Report**") on China's AI solution market. Founded in 2002, iResearch provides professional services including, among others, industry consulting and strategic consulting, and has accumulated extensive experiences in researching and monitoring the development of China's AI solution market. We have agreed to pay a fee of RMB600,000 to iResearch for preparing the iResearch Report. The report was prepared independent of the influence of us and other interested parties. We have extracted certain information from the iResearch Report in this section, as well as elsewhere in this prospectus, to provide our potential investors with a more comprehensive presentation of the industry in which we operate. Our Directors confirm that, after taking reasonable care, they are not aware of any material adverse change in the overall market information since the date of the iResearch Report that would materially qualify, contradict or have an adverse impact on such information.

During the preparation of the iResearch Report, iResearch performed both primary and secondary research, and obtained knowledge, statistics, information on and industry insights into China's AI solution market. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources.

The market projections in the iResearch Report are based on the following assumptions: (i) the overall social, economic, and political environment in China is expected to remain stable during the forecast period; (ii) relevant key drivers are likely to drive the continued growth of China's AI solution market throughout the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulation in which the industry may be affected in either a dramatic or fundamental way. All forecasts in relation to market size are based on the general economic conditions as of the Latest Practicable Date.

Information disclosed in this section is relevant PRC laws, regulations and regulatory documents in effect which have a significant impact on our operations in the PRC as of the date of this Document (hereinafter referred to as "PRC Laws"), which are subject to change in the future, but it does not include a detailed analysis of PRC Laws related to our business activities and operations in the PRC, or serve as all PRC Laws applicable to our operations in the PRC.

REGULATIONS AND POLICIES ON INFORMATION INDUSTRY

Policies on Artificial Intelligence

In accordance with the Notice of the State Council on Promulgating "Made in China 2025" Plan (《國務院關於印發<中國製造2025>的通知》) which was promulgated by the State Council on May 8, 2015 and came into effect on the same date, to fully implement the intention of the 18th National Congress of CPC and the Second, Third and Fourth Plenary Sessions of the 18th Central Committee of the CPC and adhere to the path of new industrialization with Chinese characteristics, the promotion of integrated development of the next generation information technology and manufacturing technology and regard intelligent manufacturing are the main directions of comprehensive integration of informationization and industrialization. And efforts should be made to develop intelligent equipment and intelligent products, promote intelligent production process, cultivate new production methods, and comprehensively enhance the intelligent level of research and development, production, management and service of enterprises.

The Development Plan of New Generation Artificial Intelligence (《新一代人工智能發展規劃》) which was promulgated by the State Council on July 8, 2017 and came into effect on the same date, according to which, the State accelerates the cultivation of an artificial intelligence industry with a major leading role, promote the in-depth integration of artificial intelligence and various industrial fields, and form a data-driven, human-machine collaboration, cross-border integration, and co-creation and sharing of intelligent economic forms. Data and knowledge have become the first element of economic growth, human-machine collaboration has become the mainstream mode of production and service, cross-border integration has become an important economic model, co-creation and sharing has become a basic feature of economic ecology, personalized demand and customization have become a new trend in consumption. Develop key basic software such as artificial intelligence-oriented operating systems, databases, middleware, and development tools, break through core hardware such as graphics processors, and study image recognition, speech recognition, machine translation, intelligent interaction, knowledge processing, control decision-making and other intelligent system solutions and cultivate and expand the basic software and hardware industries for artificial intelligence applications.

The Guidelines for the Construction of the National New Generation of AI Open Innovation Platform (《國家新一代人工智能開放創新平台建設工作指引》), promulgated by Ministry of Science and Technology of the People's Republic of China on August 1, 2019 and came into effect on the same date, pointed out that "open and sharing" shall be the important philosophy in promoting artificial intelligence innovation and industry development in China, and encouraged to open innovation platforms for companies to do testing, and thus to form standard and modularized models, middleware and applications for providing services to the public in the form of open interfaces, model libraries, algorithm packages, etc.

The Guidelines for the Construction of the National New Generation Artificial Intelligence Innovation and Development Pilot Zone (《國家新一代人工智能創新發展試驗區建設工作指引》), promulgated by Ministry of Science and Technology of the People's Republic of China on August 29, 2019, amended on September 29, 2020 and came into effect on the same date, underlines that an environment conducive to the innovation and development of artificial intelligence shall be created, as well as to promote the construction of artificial intelligence infrastructure and strengthen the conditional support for the innovation and development of artificial intelligence.

Regulations on the Application of Artificial Intelligence Technologies

The Administrative Provisions on Deep Synthesis in Internet-based Information Services (互聯網信息服務深度合成管理規定) which was promulgated by the CAC on November 25, 2022 and took effective since January 10, 2023, impose certain compliance obligations upon service providers using deep synthesis technology to provide Internet-based information services, including but not limited to establishing a database to identify illegal or adverse information, adding tags on information generated from using deep synthesis technologies, authenticating users' real identities before allowing them to use deep synthesis information publishing services, etc. Deep synthesis technologies are defined as technologies that utilize algorithms, such as deep learning and virtual reality, to synthesize or generate text, photo, audio, video, or virtual scenes. Importantly, this regulatory document extends the applicable scope of record filing obligations from certain service providers to technical supporters. It requires the technical supporters of deep synthesis technology (the organizations or individual that provide technical supports for deep synthesis services) to file for record with CAC's algorithm record-filing system and disclose the information regarding the algorithm data, algorithm models, algorithm strategies and algorithm risk and prevention mechanisms, as well as how the technical supports are provided, such as name of the technical services, the access methods, the recipients of the technical supports, and the frequency of technical services.

On July 13, 2023, the CAC and six other ministries jointly published the Interim Administrative Measures on Generative AI Services (生成式人工智能服務管理暫行辦法) ("Interim Measures on GAI"), which came into effect on August 15, 2023. The Interim Measures on GAI apply to the provision of generating content such as text, images, audio and video to the public within the territory of China by utilizing generative AI technology ("GAI Service"). On the other hand, Interim Measures on GAI will not apply to industrial organizations, enterprises, educational and scientific research institutions, public cultural institutions, and relevant professional institutions that develop and apply generative AI technologies but do not provide GAI Services to the public within China.

The Interim Measures on GAI impose various obligations on GAI service providers, from content filtering and control to protecting the personal data of users, mainly including:

(i) Providers will be responsible as generators of the generated content. Upon discovering any "illegal content", the providers should promptly take measures such as terminating generation or terminating transmission in order to dispose of such content, optimize and train the models to rectify, and report the same to the authorities. They must add tags to generated content such as images and videos.

(ii) Providers must protect users' personal information, input data and usage records, and are forbidden from (x) collecting personal information beyond the necessary scope for providing services; (y) unlawfully retaining input data and usage records which could be used to identify users; or (z) unlawfully providing users' input data and usage records to other parties.

(iii) Providers must publish details of suitable users, use scenarios and usages, and guide users to use their GAI Services in a lawful and reasonable manner. They must also take effective measures to prevent minors from overly relying on or becoming addicted to GAI Services.

(iv) If discovering that a user is making use of GAI Services for unlawful purposes, providers must take control measures such as giving warnings, restricting functions, suspending, or terminating services, maintaining records, and reporting such usage to the authorities.

Interim Measures on GAI provide special requirements for data training activities such as pre-training and fine-tuning:

(i) to use data and base models from legal sources;

(ii) not to infringe others' intellectual property rights where intellectual property is involved;

(iii) to obtain consents from individuals or ensure that other conditions provided by laws and regulations are met if personal information is used;

(iv) to take measures to improve the quality of training data and enhance the authenticity, accuracy, objectivity and diversity of training data; and

(v) to comply with the requirements of relevant laws.

In addition, Interim Measures on GAI require the providers to conduct security assessment for provision of GAI Services with "public opinion attributes or social mobilization capabilities", and file for records with the CAC according to the Administrative Provisions on Recommendation Algorithms in Internet-based Information Services.

Regulations on Computer Software

In accordance with the Regulations on the Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and latest amended on January 30, 2013, with the latest revision effective on March 1, 2013, Chinese citizen, legal person or other organization is entitled under the copyright of the software he/it has developed, including the right of publication, right of acknowledgement, right of alteration, right of reproduction, right of distribution, right of leasing, right of dissemination, right of translation and other rights that software copyright owners shall have, regardless of whether such software has been published.

In accordance with the Measures for Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) promulgated by the National Copyright Administration on April 6, 1992 and latest amended on February 20, 2002, with the latest revision effective on the same date, software copyrights, exclusive software copyright licensing contracts and transfer contracts shall be registered, and the National Copyright Administration shall be the competent authority for the administration of software copyright registration and has certified the China Copyright Protection Centre as the institution responsible for software registration. Applications that comply with the rules shall be granted registration, and a corresponding registration certificate shall be issued by the China Copyright Protection Centre.

National Catalogue for Guidance on Industrial Restructuring

In accordance with the National Catalogue for Guidance on Industrial Restructuring (2024 Version) (《產業結構調整指導目錄(2024年本)》) which was promulgated by the National Development and Reform Commission (the "NDRC") on December 27, 2023 and came into effect on February 1, 2024, big data, cloud computing, software and information technology service and blockchain information services within the extent permitted by PRC are under the encouraged category.

Outline of the 14th Five-Year Plan for National Economic and Social Development

The Outline of the 14th Five-Year Plan for National Economic and Social Development of the People's Republic of China and Outlines of Objectives in Perspective of the Year 2035 (《中華人民共和國國民經濟和社會發展第十四個五年規劃和2035年遠景目標綱要》), promulgated by the Standing Committee of the National People's Congress on March 11, 2021 and came into effect on the same date, points out the focus of key areas include high-end chips, operating systems, key artificial intelligence algorithms, sensors, and PRC shall speed up technology R&D, and make breakthroughs in basic theories, basic algorithms, and equipment materials.

Policies on the Software Industry

The Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (《進一步鼓勵軟件產業和集成電路產業發展若干政策》) which was promulgated by the State Council on January 28, 2011 and came into effect on the same date, specifies a series of policies on tax preference, promotion of investment and scientific research and talent support for the software industry.

REGULATIONS RELATING TO INTERNET INFORMATION SECURITY AND PRIVACY PROTECTION

In accordance with the Law of the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) which was promulgated by the Standing Committee of the National People's Congress on November 7, 2016 and came into effect on June 1, 2017, PRC adopts graded system for cybersecurity protection, under which network operators are required to perform the obligations of security protection to ensure that the network is free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered. In the event that the network operator fails to fulfill obligation concerning graded system for cybersecurity protection, the competent authority shall warn such operator and order it to make rectifications. A fine ranging from RMB10,000 to RMB100,000 shall be imposed on such operator if it refuses to make rectifications or in case of consequential severe damage to the network, and a fine ranging from RMB5,000 to RMB50,000 shall be imposed on the supervisor directly in charge.

In accordance with the Administrative Measures for the Hierarchical Protection of Information Security (《信息安全等級保護管理辦法》) which was promulgated by the Ministry of Public Security, State Secrecy Administration, State Cryptography Administration, and the Information Office of the State Council on June 22, 2007 and came into effect on the same date, and the Guide for the Grading of Information Security and Cybersecurity (《信息安全技術網絡安全等級保護定級指南》), which was promulgated by Standardization Administration of the PRC on April 28, 2020 and came into effect on November 1, 2020, the hierarchical protection of the information security at the national level shall follow the principle of "independent grading and independent protection". Accordingly, the security protection grade of the information system shall be determined by entities operating and using an information system in accordance with the applicable rules. And in the cloud computing environment, based on different service modes, the cloud computing platform/system is divided into different grading objects.

In accordance with the State Security Law of the People's Republic of China (《中華人民共和國國家安全法》) which was promulgated by Standing Committee of the National People's Congress on February 2, 1993 and latest amended on July 1, 2015, with the latest revision effective on the same date, the PRC government shall develop network and information security assurance system, enhance network and information security assurance capabilities, strengthen innovative research and development and application of network and information technologies and realize the security and controllability of network and information core technologies, critical infrastructure and information systems and data in key areas; the PRC government shall also enhance network management, prevent, deter and punish network criminal acts such as cyber-attacks, network intrusion, network theft and illegal spread of harmful information in order to safeguard the sovereignty, security and development interests of the state cyberspace.

In accordance with the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) which was promulgated by the National People's Congress on July 6, 1979, December 26, 2020 and latest amended on December 29, 2023, with the latest revision effective on March 1, 2024, a network service provider is subject to criminal liability if such network service provider fails to perform such obligation to manage information network security as specified by laws and administrative regulations, and refuses to make corrections when is ordered by a supervisory authority to do so, and involves any of the specified serious cases.

In accordance with the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) which was promulgated by the Standing Committee of the National People's Congress on June 10, 2021 and came into effect on September 1, 2021, PRC protects the rights and interests of individuals and organizations relating to data, encourages the lawful, reasonable and effective use of data, guarantees the orderly and free flow of data in accordance with the law, and promotes the development of the digital economy with data as a key element. And PRC establishes a data classification and hierarchical protection system and data security review system, under which data processing activities that affect or may affect national security shall be reviewed for national security. A decision on security review made in accordance with the law shall be final. Processors of important data shall establish a sound data security management system throughout the whole process, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security, in accordance with the provisions of laws and regulations. To carry out data processing activities by making use of the Internet or any other information network, the aforesaid obligations for data security protection shall be performed on the basis of the graded protection system for cybersecurity. Provided that the national core data management system is violated, which endangers the sovereignty, security and development interests of PRC, the relevant competent authority will impose a fine of not less than RMB2 million but not more than RMB10 million, and may order suspension of the relevant business, stop the business for rectification, and revoke the relevant business permit or business license as the case may be; if a crime is constituted, criminal liability will be investigated in accordance with the law.

On November 14, 2021, the CAC released the Network Data Security Management Regulations (Draft for Comment) (the "Draft Regulations") (《網絡數據安全管理條例(徵求意見稿)》). The Draft Regulations, among other things, stipulates that (i) data processors possess personal information of more than one million users seeking a public listing in a foreign country, and (ii) data processors seeking a public listing in Hong Kong that influence or may influence national security, must apply for a cybersecurity review, in accordance with the relevant stipulations of the State. On 28 December 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Cybersecurity Review Measures (《網絡安全審查辦法》), which came into effect on 15 February 2022, and the Measures for

Cybersecurity Review (《網絡安全審查辦法》) which took effect on 1 June 2020 was abolished at the same time. The Cybersecurity Review Measures provides that, among others, (i) the purchase of cyber products and services by critical information infrastructure operators (the "CIIOs") and the network platform operators (the "Network Platform Operators") which engage in data processing activities that affects or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; and (ii) the Network Platform Operators with personal information data of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office. At present, the Draft Regulations had only been released for consultation purposes, and this requirement is newly included in the Draft Regulations, as such there still remain uncertainties as to its final content, anticipated adoption or effective date, final interpretation and implementation, and other aspects.

REGULATIONS ON OVERSEAS LISTING

Recently, certain PRC regulatory authorities issued Opinion on Severely Punishing Illegal Activities in Securities Market (《關於依法從嚴打擊證券違法活動的意見》), which were available to the public on July 6, 2021, further emphasized to strengthen cross-border regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and archive management relating to the offering and listing of securities abroad, to implement the responsibility on information security of companies listed in foreign countries, and to strengthen the standardized management of cross-border information provision mechanisms and procedures.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the "Trial Administrative Measures") and five supporting guidelines, which has become effective on March 31, 2023. Pursuant to the Trial Administrative Measures, PRC domestic enterprises that directly or indirectly offer or list their securities in an overseas market, which include (i) any PRC company limited by shares, and (ii) any offshore company that conducts its business operations primarily in China and contemplates to offer or list its securities in an overseas market based on its onshore equities, assets or similar interests, are required to file with the CSRC within three business days after its application for overseas listing is submitted. Failure to complete the filing under the Trial Administrative Measures may subject a PRC domestic enterprise to rectification ordered by the CSRC, warning, and fine of RMB1 million to RMB10 million.

On the same date, the CSRC promulgated the Notice on the Arrangement for the Filing-based Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》) (the "Arrangement for Filing-based Administration"). According to the Arrangement for Filing-based Administration, PRC domestic enterprises shall not be required to complete the filing procedures if all of the following conditions are met: (i) the application for indirect overseas offering or listing shall have been approved by the overseas regulatory authorities or the overseas stock exchanges (for example, a contemplated offering and/or listing in Hong Kong has passed the hearing) prior to the effective date of the Trial Administrative Measures; (ii) it is not required to re-perform the overseas regulatory procedures for overseas securities offering and listing; (iii) such overseas securities offering or listing shall be completed before September 30, 2023. From March 31, 2023, domestic enterprises that have submitted valid applications for overseas offerings and listings but have not obtained the approval from overseas regulatory authorities or overseas stock exchanges shall complete the filing procedures with the CSRC prior to their overseas offerings and listings.

REGULATIONS ON ESTABLISHMENT OF COMPANIES AND FOREIGN INVESTMENT

In accordance with the Foreign Investment Law and the Implementation Regulations for the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法實施條例》) (hereinafter referred to as "Regulations"), which was promulgated by the State Council on December 26, 2019 and came into effect on January 1, 2020, any discrepancy between the Foreign Investment Law and these Regulations and the provisions on foreign investments formulated before January 1, 2020, the provisions of the Foreign Investment Law and these Regulations shall prevail. Investments by foreign investors in fields for which investment is restricted by the Negative List shall comply with the restrictive admission special administrative measures such as equity requirements, senior management personnel requirements stipulated by the Negative List.

In accordance with the Measures on Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which was promulgated by the Ministry of Foreign Trade and Commerce (the "MOFCOM") and State Administration for Market Regulation on December 30, 2019 and came into effect on January 1, 2020, foreign investors or foreign investment enterprises shall submit investment information to the commerce administrative authorities through the Enterprise Registration System and the National Enterprise Credit Information Publicity System. In accordance with the Measures for the Security Review of Foreign Investments (《外商投資安全審查辦法》), which was promulgated by the NDRC and MOFCOM on December 19, 2020 and came into effect on January 18, 2021, the office of the working mechanism for the security review of foreign investments is set up under the NDRC, which is led by the NDRC and the MOFCOM to undertake he routine work of the security review of foreign investments.

REGULATION ON FOREIGN INVESTMENT RESTRICTIONS

Investment activities in the PRC by foreign investors are principally governed by the Industry Catalog Relating to Foreign Investment (《外商投資產業目錄》), or the Catalog, which was promulgated and is amended from time to time by the MOFCOM and the NDRC. The Catalog divides industries into three categories: encouraged, restricted and prohibited. Industries not listed in the Catalog are generally deemed as constituting a fourth "permitted" category and open to foreign investment unless specifically restricted by other PRC regulations. Industries such as value-added telecommunication services are restricted to foreign investment.

On December 27, 2021, the MOFCOM and the NDRC promulgated the Special Management Measures (Negative List) for the Access of Foreign Investment (《外商投資准入特別管理措施(負面清單)》), or the Negative List (2021), which became effective on January 1, 2022. The Negative List (2021) expands the scope of industries in which foreign investment is permitted by reducing the number of industries that fall within the Negative List (2021). Foreign investment in VATS (other than e-commerce, domestic multi-party communications, store-and-forward and call center) still falls within the Negative List (2021).

According to the Administrative Regulations on Foreign-Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) issued by the State Council on December 11, 2001 and amended on September 10, 2008, February 6, 2016 and March 29, 2022 respectively, foreign-invested value-added telecommunications enterprises must be in the form of a Sino-foreign equity joint venture. The regulations restrict the ultimate capital contribution percentage held by foreign investor(s) in a foreign-invested value-added telecommunications enterprise to 50% or less.

On July 13, 2006, the Ministry of Industry and Information Technology (the "MIIT") issued the Circular of the Ministry of Information Industry on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Business (《信息產業部關於加強外商投資經營增值電信業務管理的通知》), or the MIIT Circular, according to which, a foreign investor in the telecommunications service industry in China must establish a foreign invested enterprise and apply for a telecommunications businesses operation license. The MIIT Circular further requires that: (i) PRC domestic telecommunications business enterprises must not, through any form, lease, transfer or sell a telecommunications businesses operation license to a foreign investor, or provide resources, offices and working places, facilities or other assistance to support the illegal telecommunications services operations of a foreign investor; (ii) value-added telecommunications business enterprises or their shareholders must directly own the domain names and trademarks used by such enterprises in their daily operations; (iii) each value-added telecommunications business enterprise must have the necessary facilities for its approved business operations and to maintain such facilities in the regions covered by its license; and (iv) all VATS providers are required to maintain network and internet security in accordance with the standards set forth in relevant PRC regulations. If a license holder fails to comply with the requirements in the MIIT Circular and cure such non-compliance, the MIIT or its local counterparts have the discretion to take measures against such license holder, including revoking its value-added telecommunications business operation license.

REGULATIONS RELATED TO VALUE-ADDED TELECOMMUNICATIONS BUSINESS

Among all of the applicable laws and regulations, the Telecommunications Regulations of the People's Republic of China (《中華人民共和國電信條例》) (the "Telecom Regulations"), promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016 respectively, is the primary governing law, and sets out the general framework for the provision of telecommunications services by domestic PRC companies. Under the Telecom Regulations, telecommunications service providers are required to procure operating licenses prior to their commencement of operations. The Telecom Regulations distinguishes basic telecommunications services from Value-Added Telecommunications Service (the "VATS").

The Telecom Catalogue (《電信業務分類目錄》), was issued as an attachment to the Telecom Regulations to categorize telecommunications services as either basic or value-added. The Telecom Catalogue amended on December 28, 2015 (which became effective on March 1, 2016 and was further amended on June 6, 2019), or the 2015 Telecom Catalogue, categorizes internet data centers, online data and transaction processing, on-demand voice and image communications, domestic internet virtual private networks, message storage and forwarding (including voice mailbox, e-mail and online fax services), call centers, internet access and online information and data search, among others, as VATS. Under the 2015 Telecom Catalogue, "fixed network domestic data transmission services" is categorized as a basic telecommunications business and defined as "a domestic end-to-end data transfer business by wired mode under fixed-net, except for the internet data transfer business" and the "domestic internet virtual private networks service" and "internet access services" are categorized as value-added telecommunications business that "domestic internet virtual private networks service" is defined as "a customization business of internet closed user group network for domestic users by self-owned or leased internet network resources of the operators and adopting TCP/IP agreement." And "internet access services" is defined as "Access servers and corresponding hardware and software resources are used to establish service nodes, and public communication infrastructure is used to connect the service nodes to the Internet backbone network to provide access to the Internet for all types of users. Users can connect to their service nodes using the public communication network or other access means and access the Internet through the node."

On March 1, 2009, the MIIT promulgated the Administrative Measures for Telecommunications Business Operating License (《電信業務經營許可管理辦法》), or the original Telecom License Measures, which became effective on April 10, 2009. The original Telecom License Measures set forth the types of licenses required to provide telecommunications services in China and the procedures and requirements for obtaining such licenses. With respect to licenses for value-added telecommunications businesses, the original Telecom License Measures distinguish between licenses for business conducted in a single province, which are issued by the provincial-level counterparts of the MIIT and licenses for cross-regional businesses, which are issued by the MIIT. The licenses for foreign invested telecommunications business operators need to be applied with MIIT. An approved telecommunications services operator must conduct its business in accordance with the specifications stated on its telecommunications business operating license. Pursuant to the original Telecom License Measures, cross-regional VATS licenses shall be approved and issued by the MIIT with five-year terms. On July 3, 2017, the MIIT issued the Telecom License Measures (《電信業務經營許可管理辦法》), which became effective on September 1, 2017 and replaced the original Telecom License Measures. The changes mainly include among others, (i) the establishment of a telecommunications business integrated management online platform; (ii) provisions allowing the holder of a telecommunications business license to authorize a company, of which such license holder holds at least 51% of the equity interests indirectly, to engage in the relevant telecommunications business; and (iii) the cancellation of the requirement of an annual inspection of telecommunications business licenses, instead requiring license holders to complete an annual report.

On January 17, 2017, the MIIT issued the Circular of the Ministry of Industry and Information Technology on Clearing up and Regulating the Internet Access Service Market (《工業和信息化部關於清理規範互聯網網絡接入服務市場的通知》), or the 2017 MIIT Circular, according to which the MIIT determined to clear up and regulate the internet access service market nationwide from the issuance date of the 2017 MIIT Circular until March 31, 2018. The 2017 MIIT Circular provides, among others, that (i) an enterprise that holds the corresponding telecom business license, including the relevant VATS license, shall not provide, in the name of technical cooperation or other similar ways, qualifications or resources to any unlicensed enterprises for their illegal operation of the telecom business, (ii) if an enterprise with its IDC license obtained prior to the implementation of 2015 Telecom Catalogue issued on March 1, 2016, has actually carried out internet resources collaboration services, it shall make a written commitment to its original license issuing authority before March 31, 2017 to meet the relevant requirements for business licensing and obtain the corresponding telecom business license by the end of 2017, failure of which will result in such enterprise not being able to continue operating the business of internet resources collaboration services as it currently does as of January 1, 2018, and (iii) without the approval of the MIIT, enterprises are not allowed to carry out cross-border business operations by setting up on its own or leasing private network circuits (including virtual private networks, or VPNs) or other information channels.

On January 6, 2014, the Ministry of Industry and Information Technology and the Shanghai Municipal People's Government issued the Opinions on Further Opening up Value Added Telecommunications Services in the China (Shanghai) Pilot Free Trade Zone (《工業和信息化部、上海市人民政府關於中國(上海)自由貿易試驗區進一步對外開放增值電信業務的意見》). The opening policy for value-added telecommunications services in the China (Shanghai) Pilot Free Trade Zone is: (i) In the information service business and the storage-forwarding business that have opened up according to China's WTO commitments and in which the ratio of equity held by foreign investors is not more than 50%, the ratio of equity held by foreign investors may exceed 50% on a trial basis. However, the information service business merely includes app stores; (ii) Four types of business will be added to the pilot programs of opening up: call center business, domestic multi-party communication service, Internet access service (providing access services for Internet users), and domestic Internet virtual private network business. In call center business, domestic multi-party communication service, and Internet access service (providing access services for Internet users), the ratio of equity held by foreign investors may exceed 50%, while the ratio of equity held by foreign investors in domestic Internet virtual private network business may not exceed 50%.

On December 27, 2021, the National Development and Reform Commission and the Ministry of Commerce issued special management measures for foreign investment access in free trade pilot zones (negative list) (《自由貿易試驗區外商投資准入特別管理措施(負面清單)》). According to which the pilot policy of the original area (28.8 square kilometers) of the China (Shanghai) Pilot Free Trade Zone has been promoted to all pilot free trade zones of PRC for implementation.

REGULATIONS ON INTELLECTUAL PROPERTY RIGHTS

Patent

In accordance with the Patent Law of the People's Republic of China (《中華人民共和國專利法》) which was promulgated by the Standing Committee of the National People's Congress on March 12, 1984 and latest amended on October 17, 2020, with the latest revision effective on June 1, 2021, the Implementation Regulations for the Patent Law of the People's Republic of China (《中華人民共和國專利法實施細則》) which was promulgated by the State Council on December 21, 1992, January 9, 2010 and latest amended on December 11, 2023, with the latest revision effective on January 20, 2024, and the Public Announcement on Measures on Filing of Patent Licensing Contracts (《專利實施許可合同備案辦法》) which was promulgated by the State Intellectual Property Office on June 27, 2011 and came into effect on August 1, 2011, patent in PRC shall be categorized as invention, utility model and design. The duration of patent rights for an invention shall be 20 years, the duration of patent rights for a utility model shall be 10 years and the duration of patent rights for a design shall be 15 years, commencing from the filing date. Any organization or individual proposing to implement the patent of others shall enter into a licensing contract with the patentee for implementation and pay royalties to the patentee. And the State Intellectual Property Office shall be responsible for filing of patent licensing contracts nationwide. The parties concerned shall complete filing formalities within three months from the effective date of a patent licensing contract.

Trademark

In accordance with the Trademark Law of the People's Republic of China (《中華人民共和國商標法》) which was promulgated by Standing Committee of the National People's Congress on August 23, 1982, and was latest amended on April 23, 2019, with the latest revision effective on November 1, 2019, and the Implementation Regulations for the Trademark Law of the People's Republic of China (《中華人民共和國商標法實施條例》) which was promulgated by the State Council on August 3, 2002 and was latest amended on April 29, 2014, with the latest revision effective on May 1, 2014, trademarks approved and registered by the trademark bureau are registered trademarks, including commodity trademarks, service marks and collective trademarks, certification marks; trademark registrants are entitled to exclusive rights to use trademark and are protected by the law. A registered trademark shall be valid for 10 years, commencing from the date of registration. Use of a trademark identical or similar to a registered trademark on the same type of commodities without licensing by the trademark registrant shall be deemed as infringement of exclusive rights to use registered trademarks.

Domain Name

In accordance with the Administrative Measures on Internet Domain Names (《互聯網域名管理辦法》) which was promulgated by the Ministry of Industry and Information Technology of the People's Republic of China on August 24, 2017 and came into effect on November 1, 2017, the Implementing Rules for the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》) and Procedural Rules for Resolution of Disputes over National Top-level Domain Names (《國家頂級域名爭議解決程序規則》) which were promulgated by China Internet Network Information Center on June 18, 2019 and came into effect on the same date, the domain name registration services shall in principle implement "first apply first register"; where the corresponding detailed rules for domain name registration stipulate otherwise, such provisions shall prevail. The applicant shall be deemed as domain name holder via registration. The domain name disputes shall be accepted and solved by a domain name dispute resolution body as recognized by the China Internet Network Information Center.

In accordance with the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Providing Internet-based Information Services (《工業和信息化部關於規範互聯網信息服務使用域名的通知》) (hereinafter referred to as "Notice"), which was promulgated by the Ministry of Industry and Information Technology of the People's Republic of China on November 27, 2017 and came into effect on January 1, 2018, the Internet access service provider concerned shall check the real identity information of the domain name registrant via the Record-filing System, and shall not provide access services if the Internet-based information service provider fails to provide real identity information or the identity information provided is inaccurate or incomplete, with the exception of domain names that have been filed for record with the Record-filing System prior to the effectiveness of this Notice.

Copyright

In accordance with the Copyright Law of the People's Republic China (《中華人民共和國著作權法》) which was promulgated by Standing Committee of the National People's Congress on September 7, 1990 and latest amended on November 11, 2020, with latest revision effective on June 1, 2021, Chinese citizens, legal persons or organizations without legal personality enjoy copyright over their works, whether published or not, including written works; oral works; musical, dramatic, opera, dance, acrobatic artistic works; fine arts, architectural works; photographic works; audio-visual works; graphic works and model works, such as engineering design plan, product design plan, map, schematic diagram, etc.; computer software and any other intellectual achievements which comply with the characteristics of the works. Copyright shall include the following personal rights and property rights: publication right, right of authorship, right of revision, right to preserve the integrity of work, reproduction right, distribution right, rental right, exhibition right, performance right, screening right, broadcasting right, information network transmission right, filming right, adaptation right, translation right, compilation right, and any other rights enjoyed by a copyright holder.

REGULATIONS IN RELATION TO TAX

Enterprise Income Tax

In accordance with the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which was promulgated by the Standing Committee of the National People's Congress on March 16, 2007, and was latest amended on December 29, 2018, with the latest revision effective on the same date and the Implementation Regulations for the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which was promulgated by the State Council on December 6, 2007, and was latest amended on April 23, 2019, with the latest revision effective on the same date, a uniform income tax rate of 25% will be applied to resident enterprises and non-resident enterprises that have established institutions and premises in China. Besides enterprises established within the PRC, enterprises established in accordance with the laws of other judicial districts whose "de facto management bodies" are within the PRC are considered "resident enterprises" and subject to the uniform 25% enterprise income tax rate for their income derived from both inside and outside the PRC. Corporate income tax for key advanced and new technology enterprises supported by PRC shall be at a reduced tax rate of 15%.

In accordance with the Administrative Measures on Accreditation of High-tech Enterprises (《高新技術企業認定管理辦法》) which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on April 14, 2008 and amended on January 29, 2016 and came into effect on January 1, 2016, high-tech enterprises referred to in these Measures shall mean resident enterprises registered in China (excluding Hong Kong, Macau and Taiwan) which are continuously engaging in research and development and technology commercialization within the realm of the Regions of Advanced Technologies Strongly Supported by PRC, forming the core independent intellectual property of the enterprise, and carrying out business activities on such basis, which accredited pursuant to these Measures may declare and claim tax incentives pursuant to the Enterprise Income Tax Law (中華人民共和國企業所得稅法) and its Implementation Regulations, the Administrative Law of the People's Republic of China on the Levying and Collection of Taxes, the Implementation Regulations for the Law of the People's Republic of China on Administration of Tax Collection (中華人民共和國稅收徵收管理法實施細則) etc. Upon obtaining the qualification as a high-tech enterprise, the enterprise shall complete tax reduction and exemption formalities with the tax authorities in charge and the qualifications of an accredited high-tech enterprise shall be valid for three years from the date of issuance of the certificate.

Value-added Tax

In accordance with the Provisional Regulations of the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例》) which was promulgated by the State Council on December 13, 1993, and was latest amended on November 19, 2017, with the latest revision effective on the same date, the Detailed Rules for the Implementation Rules for the Provisional Regulations the People's Republic of China on Value-added Tax (《中華人民共和國增值稅暫行條例實施細則》) which was promulgated by the Ministry of Finance on December 25, 1993, and was latest amended on October 28, 2011, with the latest revision effective on November 1, 2011, In accordance with the Decisions on Abolishing the PRC Provisional Regulations on Business Tax and Amending the PRC Provisional Regulations on Value-Added Tax (《國務院關於廢止<中華人民共和國營業稅暫行條例>和修改<中華人民共和國增值稅暫行條例>的決定》) which was promulgated by the State Council and effective on November 19, 2017 and the Notice of the Ministry of Finance and the State Administration of Taxation on the Adjustment to VAT Rates (《財政部、稅務總局關於調整增值稅稅率的通知》) which was promulgated by the Ministry of Finance and the State Administration of Taxation on April 4, 2018 and came into effect on May 1, 2018, entities and individuals selling goods, services and intangible assets in the People's Republic of China are VAT taxpayers and shall pay value-added tax. Taxpayers selling services and intangible assets are subject to a tax rate of 6%, except in particular circumstances. If a taxpayer is engaged in sale subject to VAT at the previously applicable rate of 17%, the tax rate is reduced to 16%. In accordance with the Announcement on Policies for Deepening the VAT Reform which was issued by the Ministry of Finance, State Taxation Administration and General Administration of Customs (《關於深化增值稅改革有關政策的公告》) on March 20, 2019 and came into effect on April 1, 2019. If a general VAT taxpayer is engaged in a VAT taxable sale or imports goods at the previously applicable rate of 16%, the tax rate is reduced to 13%.

In accordance with the Notice of Ministry of Finance and State Administration of Taxation on Value-added Tax Policies for Software Products (關於軟件產品增值稅政策的通知) which was promulgated by the Ministry of Finance and the State Administration of Taxation on October 13, 2011 and came into effect on January 1, 2011, a value-added tax general taxpayer selling software products developed and produced by itself shall be subject to levying and collection of value-added tax at the tax rate of 17%, and the policy of forthwith levy and forthwith refund shall be implemented for the portion of value-added tax actually paid which exceeds 3%.

Urban Maintenance and Construction Tax

In accordance with Urban Maintenance and Construction Tax Law of People's Republic of China (《中華人民共和國城市維護建設稅法》) which was promulgated by Standing Committee of National Peoples Congress on August 11, 2020 and came effect on September 1, 2021 and the Notice of the State Council on Harmonizing the Urban Maintenance and Construction Tax and Educational Surcharges for Chinese and Foreign-funded Enterprises and Individuals (《國務院關於統一內外資企業和個人城市維護建設稅和教育費附加制度的通知》) which was promulgated by the State Council on October 18, 2010 and latest effective on

December 1, 2010, entities and individuals which are subject to consumption tax, VAT and business tax shall pay urban maintenance and construction tax. The tax rate is 7% for a taxpayer who is domiciled in a downtown area, and 5% for a taxpayer who is domiciled in a county or town, and 1% for a taxpayer who is domiciled outside a downtown area, county or town.

REGULATIONS ON LABOR

Labor Relations

The Labor Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) which was promulgated by Standing Committee of the National People's Congress on June 29, 2007, and was latest amended on December 28, 2012, with the latest revision effective on July 1, 2013, governs the establishment of labor relationships between enterprises, individual economic organizations, private non-enterprise entities etc., in the PRC and their workers and the conclusion, performance, variation, rescission or termination of labor contracts, specifies relevant detailed requirements on terms and contents of labor contracts signed between the parties, and stipulates the maximum working hours per day and week and the monthly minimum wage.

Social Insurance and Housing Provident Fund

In accordance with 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 promulgated by Standing Committee of the National People's Congress on October 28, 2010 and was latest amended on December 29, 2018, with the latest revision effective on the same date, employers are required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, and maternity insurance. Employers failed to promptly contribute social security premiums in full amount shall be ordered by the social security premium collection agency to make or supplement contributions within a stipulated period, and shall be subject to a late payment fine computed from the due date at the rate of 0.05% per day; where payment is not made within the stipulated period, the relevant administrative authorities shall impose a fine ranging from one to three times the amount of the amount in arrears.

In accordance with the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) which was promulgated by the State Council on April 3, 1999, and was latest amended on March 24, 2019, with the latest revision effective on the same date, an employer shall make registration of contribution to the housing provident fund with the housing provident fund management center, and go through the formalities of opening housing provident fund accounts on behalf of its employees. And an employer fails to undertake contribution registration of housing provident fund or fails to go through the formalities of opening housing provident fund accounts for its employees, the housing provident fund management center shall order it to go through the formalities within a prescribed time limit; where failing to do so at the expiration of the time limit, a fine of not less than RMB10,000 nor more than RMB50,000 shall be imposed. An employer is overdue in the contribution of, or underpays, the housing provident fund, the housing provident fund management center shall order it to make the contribution within a prescribed time limit; where the contribution has not been made after the expiration of the time limit, an application may be made to a people's court for compulsory enforcement.

REGULATIONS ON FOREIGN EXCHANGE ADMINISTRATION

General Foreign Exchange Administration

The Foreign Exchange Control Regulations of the People's Republic of China (《中華人民共和國外匯管理條例》), promulgated by the State Council on January 29, 1996, and latest amended on August 5, 2008, with the latest revision effective on the same date, is a fundamental legal basis for foreign exchange supervision and regulation by relevant authorities in PRC, according to which, RMB may be freely converted into other currencies for current account items (such as foreign exchange transactions in relation to commodity, trade and service, and dividend distribution), based on real and lawful transactions; but capital account items (such as share capital transfer, direct investment, securities investment, derivatives or loan) unless it is approved by the relevant foreign exchange administration department and it has completed the pre registration with the relevant foreign exchange administration department.

In accordance with the Circular of SAFE on Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment (《國家外匯管理局關於進一步改進和調整直接投資外匯管理政策的通知》) (hereinafter referred to as "Circular 59") was promulgated by SAFE on November 19, 2012, became effective on December 17, 2012, and was further amended on May 4, 2015, approval is not required for the opening of an account entry in foreign exchange accounts under direct investment. Circular 59 also simplifies the capital verification and confirmation formalities for foreign invested enterprises ("FIEs"); the foreign capital and foreign exchange registration formalities required for the foreign investors to acquire equities from Chinese party and further improve the administration on exchange settlement of FIEs.

The Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of 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》) (hereinafter referred to as "Circular 19") was promulgated by SAFE on March 30, 2015, came into effect on June 1, 2015 partially repealed on December 30, 2019 and partially amended by the Notice of the State Administration of Foreign Exchange of Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by SAFE on June 9, 2016 and superseded the Notice from the State Administration of Foreign Exchange on Reforming the Administration Method of Settlement of Foreign Exchange Capitals of Foreign-invested Enterprises (hereinafter referred to as "Circular 142") from the effective date. Circular 19 specifies that foreign exchange settlement by foreign-invested enterprise is subject to supervision under foreign exchange settlement policies, and cancels certain foreign exchange restrictions under Circular 142. However, Circular 19 restates that the use of capital of foreign invested enterprises should follow the principle of truthfulness and self-use within the business scope of a enterprise.

In accordance with the Notice from the State Administration of Foreign Exchange on Reforming and Regulating the Policies of Administration of Foreign Exchange Settlement for Capital Items (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (hereinafter referred to as "Circular 16") which was promulgated by the State Administration of Foreign Exchange on June 9, 2016 and came into effect on the same date, an enterprise registered in China may, at its sole discretion, convert its foreign debts in a foreign currency to RMB. Circular 16 provides a unified standard for foreign exchange under capital items (including but not limited to foreign currency capital and foreign debt) which may be convertible at the sole discretion of the enterprise. Such standard is applicable to all enterprises registered in the PRC. In addition, Circular 16 restates that, unless otherwise specified, an enterprise shall not directly or indirectly use RMB funds obtained as a result of conversion of foreign currency funds, for purposes outside the business scope, or for investments wealth management other than securities investment or capital protected products of banks in China. Moreover, except within the business scope, RMB funds obtained as a result of conversion shall not be used as loans to non-related companies; save for investment in a real estate enterprise, RMB funds obtained as a result of conversion shall not be used for construction or purchase of real estate which will not be used by the enterprise.

On October 23, 2019, the State Administration of Foreign Exchange released the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of 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 amended on December 4, 2023, according to which, besides foreign-invested enterprises engaged in investment business, non-investment foreign-invested enterprises are also permitted to make domestic equity investments with their capital funds in accordance with the laws provided that such investments do not violate the Special Administrative Measures (Negative List) for Foreign Investment Access (《外商投資准入特別管理措施(負面清單)》) (hereinafter referred to as "Negative List") and the target investment projects are genuine and in compliance with laws. According to the Notice of the SAFE on Optimizing Foreign Exchange Administration 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, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without submitting the evidentiary materials concerning authenticity of such capital for banks in advance; provided that their capital use is authentic and in compliance with administrative regulations on the use of income under capital accounts. The bank in charge shall follow the principle of prudential business development to manage and control relevant business risks, and conduct post spot checking on the facilitation of payment for the income under capital accounts in accordance with relevant requirements.

DIVIDEND DISTRIBUTION

In accordance with 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, 1993, October 26, 2018, and was amended on December 29, 2023, and the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》) (hereinafter referred to as "Foreign Investment Law"), which was promulgated by the National People's Congress of the People's Republic of China on March 15, 2019 and came into effect on January 1, 2020, foreign-invested enterprises in the PRC may pay dividends only out of their accumulated profit, if any, determined in accordance with PRC accounting standards and regulations. A PRC company, including foreign-invested enterprise, is required to set aside as general reserves at least 10% of its after-tax profit, until the cumulative amount of such reserves reaches 50% of its registered capital unless the provisions of laws regarding foreign investment otherwise provided, and shall not distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

REGULATIONS RELATED TO THE "FULL CIRCULATION" OF H-SHARE

In accordance with the Guidelines for the Application by H-share Companies for "Full Circulation" of Unlisted Shares (《H股公司境內未上市股份申請"全流通"業務指引》) which was promulgated by the CSRC on 14 November 2019 and came into effect on the same date, which was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員關於修改、廢止部分證券期貨制度文件的決定》), the term "full circulation" means the circulation of domestically unlisted shares (including domestically unlisted shares held by domestic shareholders prior to the listing abroad, additional domestically unlisted shares issued domestically after listing abroad and unlisted shares held by holders of foreign shares) of H-share companies on the Hong Kong Stock Exchange. On the premise of complying with relevant laws and regulations as well as policies governing state-owned asset management, foreign investment and industrial supervision, the shareholders of domestically unlisted shares may determine the number and proportion of shares under application for circulation through negotiation at their discretion and entrust a H-share company to file an application for "full circulation". After the domestically unlisted shares are listed for circulation on the Hong Kong Stock Exchange, they shall not be transferred back to the Mainland China. A shareholder of domestically unlisted shares may reduce or increase its holding of the shares involved that are circulating on the Hong Kong Stock Exchange according to relevant business rules. H share companies shall submit a report on the relevant information to the CSRC within 15 days from completion of re-registration of the shares involved in the application to CSDC.

In accordance with the Notice on Promulgation of the Implementing Rules for "Full Circulation" of H-shares (《關於發佈<H股"全流通"業務實施細則>的通知》) which was promulgated by CSDC and Shenzhen Stock Exchange on December 31, 2019 and came into effect on the same date, it shall apply to the relevant businesses involved in "full circulation" of H-shares, such as cross-border re-registration, custodian and maintenance of holding details, entrustment of transactions and order routing, settlement, management of clearing participants, services of nominee holders etc. Upon completion of information disclosure by a H-share listed company approved by the CSRC to participate in "full circulation" of H-shares, such company shall register anew its fully tradable H-shares free from pledge, freezing, restriction of transfer and other restrictive status with the Hong Kong share registration authorities to have them become shares that can be listed and circulated on the Hong Kong Stock Exchange. The relevant securities shall be deposited centrally with CSDC in China. CSDC, as the nominee of the aforesaid securities, shall handle the business such as the depository and maintenance of holding details as well as cross-border clearing and settlement involved in the "full circulation" of H-shares, and provide services of nominee for investors. H-share listed companies shall obtain the authorization from investors and select a domestic securities company to participate in the "full circulation" of H-shares. Investors submit the trading orders for the "full circulation" of H-shares through a domestic securities company. The domestic securities company shall select a Hong Kong securities company through which investors' trading instructions shall be reported to the Hong Kong Stock Exchange for trading. After transactions are concluded, CSDC and China Securities Depository and Clearing (Hong Kong) Company Limited shall handle cross-border clearing and settlement of relevant shares and funds. The settlement currency of H-share "full circulation" transaction business is Hong Kong dollars. Where an H-share listed company entrusts CSDC to distribute cash dividends, it shall file an application with CSDC. The H-share listed company, when distributing cash dividends, may claim the details of the shares held by relevant investors on the equity registration date for cash dividends from CSDC. If an investor obtains "fully tradable" non-H-shares listed on the Hong Kong Stock Exchange due to the equity distribution or conversion of H-shares under full circulation, the investor may sell but cannot purchase such securities; if the investor obtains the right to subscribe for shares listed on the Hong Kong Stock Exchange and such right is listed on the Hong Kong Stock Exchange, the investor may sell but shall not exercise such right.

In accordance with the Notice on the Guidelines to the Program for "Full Circulation" of H-shares (《關於發佈<H股"全流通"業務指南>的通知》) which was promulgated by CSDC on February 2, 2020 and came into effect on the same date, it specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc. And China Securities Depository and Clearing (Hong Kong) Company Limited also promulgated the Guide to the Program for Full Circulation of H-shares (《中國證券登記結算有限公司H股"全流通"業務指南》) to specify the relevant escrow, custody, agent service of China Securities Depository and Clearing (Hong Kong) Company Limited, arrangement for settlement and delivery and other relevant matters.

INTRODUCTION

Overview

Our history dates back to December 2005 when Mr. Tang (the chairman of the Board, executive Director, and one of our Controlling Shareholders) established our Company and became our largest shareholder. Prior to the establishment of our Company, Mr. Tang had already obtained a master degree in software engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC, and accumulated years of industry research and development experience. In May 2015, our Company was converted into a joint stock company with limited liabilities.

Since our Company's inception in 2005, the scenarios we have served are mainly scenarios that require interaction. We believe that to achieve effective interaction, the three capabilities for conducts are generally required, namely "communication", "thinking" and "execution" while the corresponding technologies are unified communications, artificial intelligence and product engine. "Communication" corresponds to unified communication technology, which is similar to human vision, hearing, and speaking abilities. This process is to obtain information through the sensory organs, transfer the information to the brain, and then output the information after analysis by the brain. "Thinking" corresponds to artificial intelligence technology, which is similar to human analytical ability. "Execution" corresponds to product engine technology, which is similar to human execution capabilities and is used to complete interactions to achieve the final goal. In this regard, from 2005 to 2015, we mainly engaged in the research and development of unified communication-related technologies, having developed applications that unified multiple forms of communication and integrated them to product engines. Starting from 2016, we embarked on the development of artificial intelligence required in interactive scenarios. In 2020, we extensively consolidated our products and technologies, such as unified communications, product engines and artificial intelligence developed in the early stage, to forge our current solution offerings, and persisting in exploring, researching and developing in key technology areas.

After nearly two decades of persistent research and development, we have become a seasoned IT solution provider dedicated to enterprise-level conversational AI in China. We have independent research and development capabilities for unified communications, artificial intelligence and product engines, being the three technologies required in interactive scenarios, based on which we have expanded a comprehensive suite of standardized products, which can meet the needs of customers in terms of completeness, convenience, affordability and replicability of product, which thereby was taken as our Company's core competitiveness.

Business Milestones

The following table illustrates the key milestones of our business and corporate developments:

Time	Milestone
2005	• Our Company was established in the PRC with limited liability in December 2005.
2007	• We launched our enterprise-level interactive software products with unified communications as the core.
	• We began providing service for the hotline of a power company in the PRC.
	• We were awarded the "Software Enterprise Certificate" (軟件企業認定證書) and was accredited as a "Software Enterprise" (軟件企業).
2011	• We completed the technology upgrade of our enterprise-level interactive software products, with the addition of low-code business platform software.
	• We successfully achieved double software certifications (雙軟認證), i.e. having obtained the "Software Product Registration Certificate" (軟件產品登記證書) in 2011 in addition to the "Software Enterprise Certificate" (軟件企業認定證書) previously obtained in 2007.
	• We provided services to a company engaging in the provision of in-vehicle security systems, which marked our entry into the field of IoV.
2012	• We completed the technology upgrade of our enterprise-level interactive software products to support distributed multi-tenant application.
	• We obtained the qualification as high-technology enterprise.
2014	• We provided a service platform supporting distributed customer service application for a telecommunications company in Tianjin.

Time	Milestone
2015	• The conversion of our Company into a joint stock company with limited liability was completed, and our Company was renamed as Shanghai Voicecomm Information Technology Co., Ltd. (上海聲通信息科技股份有限公司).
2016	• We completed the technology upgrade of our unified communications and AI-empowered platform to support mobile terminals and natural language understanding (NLU).
2017	• We were engaged to implement the intelligent town project in Chengdu, Sichuan, to facilitate the unification and integration of the infrastructure, administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns into one cloud-based platform.
2018	• We completed the technology upgrade of our unified communications and AI-empowered platform to support natural language generation (NLG), realizing human-machine interactions.
2019	• We were accredited as a specialized and new enterprise (專精特新企業).
2020	• We completed the technology upgrade of our unified communications and AI-empowered platform to support automatic speech recognition (ASR) and text to speech (TTS) technologies.
	• We were awarded the "Little Giant" Enterprise in 2019 (2019年度小巨人企業).
	• We completed our Series A Financing and raised RMB74.4 million.
2021	• The School of Electronic Information and Electrical Engineering of Shanghai Jiao Tong University and we jointly established the Research Laboratory for AI Applications.
	• We were awarded the "Golden Voice" – China Best All Media Intelligent Customer Service Solution Award, 2021 (金音獎–2021中國最佳全媒體智能客服解決方案獎).
	• We become a member of the Information Technology Application Innovation Working Committee (信息技術應用創新工作委員會).
	• We completed our Series B Financing and raised RMB140.4 million.

Time	Milestone
2022	• We completed the technology upgrade of our unified communications and AI-empowered platform to support video-based interaction and emotion recognition.
	• We were awarded, among others, the Second prize, ISCSLP 2022 Conversational Short-Phrase Speaker Diarization Challenge (ISCSLP2022會話短語音説話人日誌挑戰賽亞軍).
	• We become a member of the National SME Public Service Demonstration Platform (國家中小企業公共服務示範平台).
	• We completed our Series B+ Financing and raised RMB104.8 million.
2023	• Academician He Jifeng (何積豐), an academician of the Chinese Academy of Sciences and an renowned expert in the field of AI, became our chief scientist.
	• We completed our Series C Financing and raised approximately RMB180.0 million.
2024	• We were awarded 2023 Outstanding Products in the Information Technology Application Innovation Industry (2023年度優秀信創產品) for our Video Call Centre Business Management System VC-COMS (視頻呼叫中心業務管理系統VC-COMS)
	• We were recognized as one of the 2024 Forbes China Top 50 Artificial Intelligence Technology Companies (2024福布斯中國人工智能科技企業TOP 50).

CORPORATE DEVELOPMENT

Establishment of our Company, initial capital increase and initial equity transfers

Our Company was established in the PRC on December 5, 2005 with an initial registered capital of RMB1,000,000, which was held by Mr. Tang as to 28%, and four other shareholders (the "**Initial Shareholders**") as to 27%, 15%, 15% and 15%, respectively. To the best knowledge and information of our Directors, Mr. Tang and the Initial Shareholders established our Company using their own funds. Since its incorporation, we have principally engaged in offering unified communications and AI-empowered solutions.

Pursuant to the shareholders' resolutions dated December 10, 2010, the registered capital of our Company was increased to RMB5,000,000. Such additional registered capital was contributed by Mr. Tang and the Initial Shareholders in proportion to their respective equity interests in our Company at the time. As a result, the shareholding percentage of Mr. Tang and the Initial Shareholders remained unchanged upon completion of the said capital increase.

To the best knowledge and belief of our Directors, the Initial Shareholders subsequently wished to divert their resources for investment in other areas in the industry. On the other hand, Mr. Tang saw the potential in the industry, and decided to invite Mr. Sun and Mr. Shi Yerong (石業嶸) ("**Mr. Shi**"), who were business partners of our Group to develop our business together, and provide them with an opportunity to acquire equity interests in our Company as incentive for their commitment and continuing contribution. Against this backdrop, pursuant to a series of equity transfer agreements dated June 19, 2013, the Initial Shareholders transferred (i) a total of 42% of equity interests of our Company to Mr. Tang at the total consideration of RMB2,100,000 representing the corresponding registered capital of RMB2,100,000; (ii) 15% of equity interests of our Company to Mr. Sun at the total consideration of RMB750,000 representing the corresponding registered capital of RMB750,000; and (iii) 15% of equity interests of our Company to Mr. Shi at the total consideration of RMB750,000 representing the corresponding registered capital of RMB750,000. The consideration was arrived after arm's length negotiation between the parties with reference to the registered capital of our Company at the time. Upon completion of the above equity transfers on June 28, 2013, (i) our Company was owned as to 70% by Mr. Tang, 15% by Mr. Sun, and 15% by Mr. Shi; and (ii) the Initial Shareholders ceased to have any interests in our Group since then. The work and contributions of Mr. Sun and Mr. Tang had been instrumental to the development of the Group to become a provider of unified communications and AI-empowered solutions in China. Mr. Tang and Mr. Sun are currently our executive Directors. For details of their biographies, see "Directors, Supervisors and Senior Management – Executive Directors" in this prospectus.

Capital Increase in 2015

Pursuant to the shareholders' resolutions dated January 10, 2015, the registered capital of our Company was increased to RMB10,000,000. Such additional registered capital was contributed by Mr. Tang, Mr. Sun and Mr. Shi in proportion to their respective equity interests in our Company at the time. As a result, their shareholding percentage in our Company remained unchanged upon completion of the said capital increase on January 27, 2015.

Joint Stock Reform and quotation on the N Board

In contemplation of the quotation on the N Board managed by the Shanghai Equity Exchange (上海股權託管交易中心股份有限公司), our Company convened an inaugural meeting on April 26, 2015, pursuant to which the then existing Shareholders agreed to convert our Company into a joint stock limited liability company with a registered capital of RMB10,000,000. In furtherance of the above, out of the total net assets of our Company as of February 28, 2015 in the amount of RMB11,558,441.88, (i) RMB10,000,000 was converted into 10,000,000 Shares of RMB1.0 par value each, and issued to the then Shareholders in proportion to their capital contribution to our Company; and (ii) the remaining RMB1,558,441.88 was converted into capital reserve. On May 7, 2015, the conversion of our Company into a joint stock company with limited liability was completed, and our Company was renamed as Shanghai Voicecomm Information Technology Co., Ltd. (上海聲通信息科技股份有限公司).

On December 18, 2015, 10,000,000 Shares, being the then entire share capital of our Company, became quoted on the N Board under the stock code 300005.

Increase in share capital in 2016

Pursuant to an investment agreement dated December 28, 2015 entered into between our Company and Shanghai Xiding Equity Investment Fund Management Co., Ltd. (上海西鼎股權投資基金管理有限公司) ("**Shanghai Xiding**"), the registered capital of our Company was increased to RMB10,750,000, with the additional registered capital being subscribed by Shanghai Xiding as nominee shareholder on behalf of certain investors at the total subscription price of RMB6.0 million (for details, see "Historical nominee arrangements and their termination" in this section below). The subscription price of the capital increase was determined after arm's length negotiations between the parties with reference to, among others, the status of business development of our Company, the market environment, the estimated valuation of our Company based on the average price to earnings ratio of the industry and the operation of comparable companies in the industry. On April 1, 2016 and upon completion of the subscription of Shares by Shanghai Xiding, the shareholding structure of our Company was as follows:

Shareholder	Number of Shares	Shareholding
Mr. Tang	7,000,000	65.12%
Mr. Shi Yerong (石業嶸)	1,500,000	13.95%
Mr. Sun	1,500,000	13.95%
Shanghai Xiding	750,000	6.98%
Total	**10,750,000**	**100.00%**

Increase in share capital in 2019

Pursuant to the shareholders' resolutions dated April 19, 2019, the total share capital of our Company was increased to 17,200,000 Shares by way of conversion of capital reserve of our Company on the basis of six new Shares for every ten existing Shares. Upon completion of the capital increase (after also taking into account the share transfer on the platform of the N Board by the then Shareholders prior to the capital increase), the shareholding structure of our Company was as follows:

Shareholder	Number of Shares	Shareholding
Mr. Tang	11,200,000	65.12%
Mr. Sun	2,400,000	13.95%
Mr. Shi	2,400,000	13.95%
Shanghai Xiding	1,120,000	6.51%
Mr. Qin Huai'er (覃懷二) ("**Mr. Qin**")	80,000	0.47%
Total	**17,200,000**	**100.00%**

Series A Financing

Pursuant to a number of capital increase agreements entered into, among others, between our Company and each of the investors in the Series A Financing (the "**Series A Investors**"), the Series A Investors agreed to subscribe for an aggregate of 4,960,000 new Shares (corresponding to additional registered share capital of RMB4,960,000) for the total subscription price of RMB74,400,000. Details of the subscription of the new Shares by the Series A Investors (the "**Series A Financing**") were as follows:

Name of Series A Investor	Date of capital increase agreement	Number of Shares subscribed for	Subscription price	Corresponding approximate equity interest in our Company (upon completion of the Series A Financing)
Zibo Yingke Jiyun Venture Capital Partnership (Limited Partnership) (淄博盈科吉運創業投資合夥企業(有限合夥)) ("**Yingke Jiyun**")	June 18, 2020 (as amended and supplemented by a supplemental agreement dated June 22, 2023)	2,400,000	RMB36,000,000	10.83%
Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥)) ("**Jiaxing Shangyu**")	April 24, 2020 (as amended and supplemented by a supplemental agreement dated June 22, 2023)	1,300,000	RMB19,500,000	5.87%
Shanghai Xinzhuang Industrial Park Economic and Technology Development Co., Ltd. (上海市莘莊工業區經濟技術發展有限公司) ("**Xinzhuang Industrial Park**")	September 27, 2020 (as amended and supplemented by a supplemental agreement dated June 21, 2023)	660,000	RMB9,900,000	2.98%
Gongqingcheng Softbank Huaxin Investment Center (Limited Partnership) (共青城軟銀華鑫投資中心(有限合夥)) ("**Gongqingcheng Softbank**")	June 10, 2019 (as amended and supplemented by a supplemental agreement dated May 5, 2023)	600,000	RMB9,000,000	2.71%
Total		**4,960,000**	**RMB74,400,000**	**22.40%**

The consideration of the Series A Financing was determined after arm's length negotiations between our Company and the Series A Investors with reference to the then status of the business development of our Company, and was supported by the appraised value of the total shareholders' equity in our Company by an independent asset appraisal agency by using the income approach with December 31, 2019 as the reference date. For details, see "Pre-IPO Investments" in this section below.

Upon completion of the Series A Financing in September 2020, the shareholding structure of our Company (after also taking into account a number of share transfers conducted on the platform of the N Board by the Shareholders before then) was as follows:

Shareholder	Number of Shares held	Shareholding *(Note 4)*
Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司) *(Note 1)*	5,516,000	24.89%
Mr. Tang *(Note 1)*	3,500,000	15.79%
Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司) ("**Chenqi Information**") *(Note 2)*	2,412,000	10.88%
Yingke Jiyun	2,400,000	10.83%
Jiaxing Shangyu	1,800,000	8.12%
Mr. Sun *(Note 3)*	1,800,000	8.12%
Mr. Qin	1,220,000	5.51%
Xinzhuang Industrial Park	660,000	2.98%
Gongqingcheng Softbank	600,000	2.71%
Jiageng Culture *(Note 3)*	600,000	2.71%
Mr. Zhang Zhuo (張卓)	500,000	2.26%
Shanghai Xiding	452,000	2.04%
Mr. Bian Yulong (卞玉龍)	200,000	0.90%
Mr. Luo Jun (駱軍)	200,000	0.90%
Mr. Yang Leizhe (楊蕾喆)	200,000	0.90%
Mr. Ding Yi (丁毅)	100,000	0.45%
Total	**22,160,000**	**100.00%**

Notes:

1. Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司) (the former name of Voicecomm Rongzhi) is a company established in the PRC which was owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang was interested in an aggregate of approximately 40.70% of the issued shares of our Company at the time.

2. Chenqi Information is a company established in the PRC which was wholly-owned by Mr. Shi.

3. Jiageng Culture is a company established in the PRC which was wholly-owned by Mr. Sun. As a result, Mr. Sun was interested in an aggregate of approximately 10.80% of the issued shares of our Company at the time.

4. The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

Series B Financing

Pursuant to a number of capital increase agreements entered into, among others, between our Company and each of the investors in the Series B Financing (the "**Series B Investors**"), the Series B Investors agreed to subscribe for an aggregate of 3,510,000 new Shares (corresponding to additional registered share capital of RMB3,510,000) for the total subscription price of RMB140,400,000. Details of the subscription of the new Shares by the Series B Investors (the "**Series B Financing**") were as follows:

Name of Series B Investor	Date of capital increase agreement	Number of Shares subscribed for	Subscription price	Corresponding approximate equity interest in our Company (upon completion of the Series B Financing)
Qingdao Yingke Value Venture Capital Partnership (L.P.) (青島盈科價值創業投資合夥企業(有限合夥)) ("**Qingdao Yingke**")	July 1, 2021 (as amended and supplemented by two supplemental agreements dated July 1, 2021 and June 21, 2023)	1,250,000	RMB50,000,000	4.87%
Shanghai Cuiwen Network Technology Co., Ltd. (上海萃問網絡科技有限公司) ("**Cuiwen Network**")	June 4, 2021 (as amended and supplemented by two supplemental agreements dated June 4, 2021 and June 13, 2023)	510,000	RMB20,400,000	1.99%
Jiaxing Laida Investment Partnership (Limited Partnership) (嘉興萊達投資合夥企業(有限合夥)) ("**Jiaxing Laida**")	May 17, 2021 (as amended and supplemented by two supplemental agreements dated May 17, 2021 and May 30, 2023)	500,000	RMB20,000,000	1.95%
Zibo Bokai Venture Capital Co., Ltd. (淄博博開創業投資有限公司) ("**Zibo Bokai**")	June 10, 2021 (as amended and supplemented by two supplemental agreements dated June 10, 2021 and June 12, 2023)	500,000	RMB20,000,000	1.95%

Name of Series B Investor	Date of capital increase agreement	Number of Shares subscribed for	Subscription price	Corresponding approximate equity interest in our Company (upon completion of the Series B Financing)
Qingdao Huazi Shengtong Equity Investment Fund Partnership (Limited Partnership) (青島華資盛通股權投資基金合夥企業(有限合夥)) ("**Huazi Shengtong**")	July 5, 2021 (as amended and supplemented by two supplemental agreements dated July 5, 2021 and June 19, 2023)	500,000	RMB20,000,000	1.95%
Beijing Jingjin Investment Management Consulting Co., Ltd. (北京靖錦投資管理諮詢有限公司) ("**Jingjin Investment**")	June 10, 2021 (as amended and supplemented by two supplemental agreements dated June 10, 2021 and May 19, 2023)	250,000	RMB10,000,000	0.97%
Total		**3,510,000**	**RMB140,400,000**	**13.68%**

The consideration of the Series B Financing was determined after arm's length negotiations between our Company and the Series B Investors with reference to the then status of the business development of our Company, and was supported by the appraised value of the total shareholders' equity in our Company by an independent asset appraisal agency by using the income approach with February 28, 2021 as the reference date. For details, see "Pre-IPO Investments" in this section below.

Upon completion of the Series B Financing in July 2021, the shareholding structure of our Company (after also taking into account a number of share transfers conducted on the platform of the N Board by the Shareholders since the completion of the Series A Financing and up until then) was as follows:

Shareholder	Number of Shares held	Shareholding *(Note 8)*
Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司) *(Notes 1 & 7)*	5,516,000	21.49%
Mr. Tang *(Notes 1 & 7)*	3,500,000	13.63%
Yingke Jiyun *(Note 2)*	2,400,000	9.35%
Chenqi Information *(Note 3)*	2,389,000	9.31%

Shareholder	Number of Shares held	Shareholding *(Note 8)*
Jiaxing Shangyu *(Note 4)*	1,800,000	7.01%
Mr. Sun *(Notes 5 & 7)*	1,800,000	7.01%
Qingdao Yingke *(Note 2)*	1,250,000	4.87%
Mr. Qin	1,220,000	4.75%
Xinzhuang Industrial Park	660,000	2.57%
Gongqingcheng Softbank	600,000	2.34%
Jiageng Culture *(Notes 5 & 7)*	600,000	2.34%
Cuiwen Network	510,000	1.99%
Huazi Shengtong	500,000	1.95%
Jiaxing Laida *(Note 4)*	500,000	1.95%
Mr. Zhang Zhuo (張卓)	500,000	1.95%
Zibo Bokai	500,000	1.95%
Mr. Yang Leizhe (楊蕾喆)	300,000	1.17%
Jingjin Investment	250,000	0.97%
Jiangfan Technology *(Notes 6 & 7)*	240,000	0.93%
Mr. Luo Jun (駱軍)	200,000	0.78%
Shanghai Xiding	112,000	0.44%
Mr. Bian Yulong (卞玉龍)	100,000	0.39%
Mr. Ding Yi (丁毅)	100,000	0.39%
Ms. Du Yingdong (杜英東)	100,000	0.39%
Jiangsu Xinzhi Equity Investment Management Co., Ltd. (江蘇鑫智股權投資管理有限公司) ("**Jiangsu Xinzhi**")	20,000	0.08%
Mr. Shi *(Note 3)*	3,000	0.01%
Total	**25,670,000**	**100.00%**

Notes:

1. Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司) (the former name of Voicecomm Rongzhi) is a company established in the PRC which was owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang was interested in an aggregate of approximately 35.12% of the issued shares of our Company at the time.

2. Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) as their general partner. Yingke Jiyun and Qingdao Yingke together were interested in an aggregate of approximately 14.22% of the issued shares of our Company at the time.

3. Chenqi Information is a company established in the PRC which was wholly-owned by Mr. Shi. As a result, Mr. Shi was interested in an aggregate of approximately 9.32% of the issued shares of our Company at the time.

4. Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager. Jiaxing Shangyu and Jiaxing Laida together were interested in an aggregate of approximately 8.96% of the issued shares of our Company at the time.

5. Jiageng Culture is a company established in the PRC which was wholly-owned by Mr. Sun. As a result, Mr. Sun was interested in an aggregate of approximately 9.35% of the issued shares of our Company at the time.

6. Jiangfan Technology is a company established in the PRC which was wholly-owned by Jiangcheng Asset Management, and which was in turn held as to 60.0% by Mr. Yang, our non-executive Director, and 40.0% by Mr. Jiang Haisheng (姜海生). To the best knowledge and information of our Directors, Mr. Jiang Haisheng (姜海生) is a business associate of Mr. Yang, and engaged in asset management through Shanghai Jiangcheng Asset Management Co., Ltd. (上海江程資產管理有限公司) (the holding company of Jiangfan Technology). Save for the aforesaid and that Jiangfan Technology is a limited partner with approximately 29.97% of partnership interests in Jiaxing Chengshun Phase II (being one of the Pre-IPO Investors. For details, see "Series C Financing" in this section below), Mr. Jiang Haisheng (姜海生) is independent from the Group, its Directors and senior management and Shareholders and their respective close associates. For the background leading to Jiangfan Technology becoming a Shareholder and entering into the Concert Party Agreement, see "Concert Party Arrangement" in this section below.

7. Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "Concert Party Arrangement" in this section below.

8. The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

Series B+ Financing

Pursuant to a number of capital increase agreements entered into, among others, between our Company and each of the investors of the Series B+ Financing (the "**Series B+ Investors**"), the Series B+ Investors agreed to subscribe for an aggregate of 2,620,000 new Shares (corresponding to additional registered share capital of RMB2,620,000) for the total subscription price of RMB104,800,000. Details of the subscription of the new Shares by the following Series B+ Investors (the "**Series B+ Financing**") as follows:

Name of Series B+ Investor	Date of capital increase agreement	Number of Shares subscribed for	Subscription price	Corresponding approximate equity interest in our Company (upon completion of the Series B+ Financing)
Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州爽道鼎華股權投資合夥企業(有限合夥)) ("**Bodao Dinghua**")	August 30, 2022 (as amended and supplemented by two supplemental agreements dated August 30, 2022 and May 5, 2023)	750,000	RMB30,000,000	2.65%

Name of Series B+ Investor	Date of capital increase agreement	Number of Shares subscribed for	Subscription price	Corresponding approximate equity interest in our Company (upon completion of the Series B+ Financing)
Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥)) ("**Gongqingcheng Huanping**")	August 15, 2022 (as amended and supplemented by two supplemental agreements dated August 15, 2022 and May 5, 2023)	745,000	RMB29,800,000	2.63%
Chengdu Technology Innovation Investment Group Co., Ltd. (成都科技創新投資集團有限公司) ("**Chengdu Technology Innovation Investment**")	March 31, 2022 (as amended and supplemented by two supplemental agreements dated March 31, 2022 and June 22, 2023)	603,000	RMB24,120,000	2.13%
Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥)) ("**Donghao Lansheng**")	August 16, 2022 (as amended and supplemented by two supplemental agreements dated August 16, 2022 and May 9, 2023)	500,000	RMB20,000,000	1.77%
Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership) (成都同創知行企業管理諮詢合夥企業(有限合夥)) ("**Tongchuang Zhixing**")	March 31, 2022 (as amended and supplemented by two supplemental agreements dated March 31, 2022 and June 22, 2023)	22,000	RMB880,000	0.08%
Total		**2,620,000**	**RMB104,800,000**	**9.26%**

The consideration of the Series B+ Financing was determined after arm's length negotiations between our Company and the Series B+ Investors following the same pricing basis as the Series B Financing. For details, see "Pre-IPO Investments" in this section below.

Upon completion of the Series B+ Financing in October 2022, the shareholding structure of our Company (after also taking into account a number of share transfers conducted on the platform of the N Board by the Shareholders since the completion of the Series B Financing and up until then) was as follows:

Shareholder	**Number of Shares held**	**Shareholding** *(Note 11)*
Voicecomm Rongzhi *(Notes 1 & 7)*	5,375,000	19.00%
Mr. Tang *(Notes 1 & 7)*	3,498,000	12.36%
Yingke Jiyun *(Note 2)*	2,400,000	8.48%
Chenqi Information *(Note 3)*	2,365,000	8.36%
Jiaxing Shangyu *(Note 4)*	1,800,000	6.36%
Mr. Sun *(Notes 5 & 7)*	1,800,000	6.36%
Qingdao Yingke *(Note 2)*	1,250,000	4.42%
Mr. Qin *(Note 10)*	1,000,000	3.53%
Bodao Dinghua	750,000	2.65%
Gongqingcheng Huanping	745,000	2.63%
Xinzhuang Industrial Park	660,000	2.33%
Chengdu Technology Innovation Investment	603,000	2.13%
Gongqingcheng Softbank	600,000	2.12%
Jiageng Culture *(Notes 5 & 7)*	550,000	1.94%
Cuiwen Network	510,000	1.80%
Donghao Lansheng	500,000	1.77%
Jiaxing Laida *(Note 4)*	500,000	1.77%
Zibo Bokai	500,000	1.77%
Huazi Shengtong	500,000	1.77%
Mr. Zhang Zhuo (張卓)	500,000	1.77%
Mr. Yang Leizhe (楊蕾喆)	300,000	1.06%
Jingjin Investment	250,000	0.88%
Jiangfan Technology *(Notes 6 & 7)*	240,000	0.85%
Mr. Luo Jun (駱軍)	200,000	0.71%
Mr. Lu Liguang (盧禮光)	125,000	0.44%
Ms. Pan Peihong (潘培紅)	125,000	0.44%
Ms. Du Yingdong (杜英東)	100,000	0.35%
Mr. Bian Yulong (卞玉龍)	100,000	0.35%
Shanghai Jiayuan Intelligent Technology Co., Ltd. (上海嘉沅智能科技有限公司) ("**Jiayuan Intelligent**") *(Note 10)*	100,000	0.35%

Shareholder	Number of Shares held	Shareholding *(Note 11)*
Shanghai Juntuo Intelligent Technology Co., Ltd. (上海駿拓智能科技有限公司) ("**Shanghai Juntuo**") *(Notes 8 & 10)*	100,000	0.35%
Mr. Yan Zhiqiang (嚴志強)	80,000	0.28%
Shandong Xizhan Private Equity Fund Management Co., Ltd. (山東翕湛私募基金管理有限公司) ("**Shandong Xizhan**") *(Note 9)*	50,000	0.18%
Mr. Ding Yi (丁毅)	50,000	0.18%
Tongchuang Zhixing	22,000	0.08%
Jiangsu Xinzhi	20,000	0.07%
Mr. Feng Jian (馮健) *(Notes 8 & 10)*	20,000	0.07%
Mr. Shi *(Note 3)*	2,000	0.01%
Total	**28,290,000**	**100.00%**

Notes:

1. Voicecomm Rongzhi (formerly known as Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司)) is a company established in the PRC which was owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang was interested in an aggregate of approximately 31.36% of the issued shares of our Company at the time.

2. Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) as their general partner. Yingke Jiyun and Qingdao Yingke together were interested in an aggregate of approximately 12.90% of the issued shares of our Company at the time.

3. Chenqi Information is a company established in the PRC which was wholly-owned by Mr. Shi. As a result, Mr. Shi was interested in an aggregate of approximately 8.37% of the issued shares of our Company at the time.

4. Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager. Jiaxing Shangyu and Jiaxing Laida together were interested in an aggregate of approximately 8.13% of the issued shares of our Company at the time.

5. Jiageng Culture is a company established in the PRC which was wholly-owned by Mr. Sun. As a result, Mr. Sun was interested in an aggregate of approximately 8.30% of the issued shares of our Company at the time.

6. Jiangfan Technology is a company established in the PRC which was wholly-owned by Jiangcheng Asset Management, and which was in turn held as to 60.0% by Mr. Yang, our non-executive Director, and 40.0% by Mr. Jiang Haisheng (姜海生).

7. Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "Concert Party Arrangement" in this section below.

8. Shanghai Juntuo is wholly owned by Mr. Feng Jian. As a result, Mr. Feng Jian was interested in an aggregate of approximately 0.42% of the issued shares of our Company at the time.

9. Shandong Xizhan is currently known as Shanghai Hengxi Private Equity Fund Management Co., Ltd. (上海恒翕私募基金管理有限公司).

10. In September 2022, Mr. Qin transferred through the platform of the N Board 100,000 Shares, 100,000 Shares and 20,000 Shares to Jiayuan Intelligent, Shanghai Juntuo and Mr. Feng Jian (馮健), respectively. The consideration of the above equity transfers were each conducted at the basis of RMB32.0 per Share, which was lower than the consideration of the Series B+ Financing and the other equity transfers between other Shareholders conducted during the same period (i.e. RMB40.0 per Share). To the best knowledge and information of our Directors, the consideration of the equity transfers between Mr. Qin and each of Jiayuan Intelligent, Shanghai Juntuo and Mr. Feng Jian (馮健) were determined after arm's length negotiation and taking into account the relatively urgent capital needs of Mr. Qin, which attributed to the relatively lower price per Share for the relevant equity transfers.

11. The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

Withdrawal from quotation on the N Board

On December 18, 2022, the shareholders' resolution regarding the voluntary withdrawal of quotation of our Company from the N Board (the "**Withdrawal from Quotation on the N Board**") was passed at a shareholders' general meeting of our Company at the time.

On December 23, 2022, we received approval from the Shanghai Equity Exchange for the Withdrawal from Quotation on the N Board with effect after December 23, 2022.

As at the date immediately prior to the Withdrawal from Quotation on the N Board, the total share capital of our Company was 28,290,000 shares.

Concurrently, upon the Withdrawal from Quotation on the N Board, our Company was transferred to the Q Board after discussion with the Shanghai Equity Exchange as a transitional arrangement unrelated to the financial performance of our Group. As confirmed by our Directors, the Withdrawal from Quotation on the N Board and our transfer to the Q Board was not arising from our non-compliance with any financial indicators imposed on companies continuously quoted on the N Board. The Q Board offers no online trading platform or trading function. On August 31, 2023, a resolution was passed by the Shareholders to apply for the withdrawal of quotation from the Q Board. Our application for withdrawal from quotation on the Q Board was approved by the Shanghai Equity Exchange on 24 February 2024, and the withdrawal was completed on 28 February 2024 (the "**Withdrawal from Quotation on the Q Board**").

Reasons of the Withdrawal from Quotation on the N Board and the Listing on the Stock Exchange

The Withdrawal from Quotation on the N Board was a commercial and strategic decision made by our then Directors, with a view to achieving our overall strategic objective to develop an international financing platform and maximize our shareholders' value.

Our Directors believe that the Withdrawal from Quotation on the N Board and the Listing on the Stock Exchange will be in the interests of our Group and the Shareholders as a whole for the following reasons:

(i) Our Company mainly adopted negotiated transfer trading mechanism during its quotation on the N Board, which limited investor discovery and order execution. The nature of the N Board and its relatively low trading volume (in contrast to the Stock Exchange which has a broader investor base and more active participation of investors in general) could make it relatively more difficult to identify and establish the fair value of our Group to reflect our competitive strengths which differentiate us from our competitors;

(ii) in contrast to the N Board, the Stock Exchange, as a leading player of the international financial markets, could offer us a direct access to the international capital markets, enhance our fund-raising capabilities and channels and broaden our Shareholders base. Accordingly, the Listing would provide us a viable source of capital to support our business growth;

(iii) the liquidity of shares listed on the Stock Exchange is generally higher than that of N Board and would provide better chance of realising the interest in our Group. The Listing would also enable our Company to, if necessary after the Listing, devise more appealing share incentive plans, which correlates directly to the performance in our Group's business, which in turn would help us to attract and motivate the talents needed to support our rapid growth and enhance our operating efficiency on an on-going basis; and

(iv) the Listing will further raise our business profile and industry presence, further enhance our bargaining power in our business dealings with our customers, enhance our ability to attract higher profile customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for our Group's business.

Compliance during quotation on the N Board and the Q Board

Our Directors confirm that, to the best of their knowledge and belief, during the respective period which our Shares were quoted on the N Board and the Q Board:

(a) our Company had been in compliance with all applicable PRC securities laws and regulations as well as applicable rules and regulations with respect to the N Board and the Q Board in all material respects;

(b) our Company had not been subject to any material disciplinary action by the relevant regulators; and

(c) there were no other matters in relation to our prior quotation on the N Board and the Q Board, the Withdrawal from Quotation on the N Board and the Withdrawal from Quotation on the Q Board that should be brought to the attention of potential investors of our Company.

Based on the due diligence work performed by the Sole Sponsor, nothing has come to its attention that would cause them to disagree with the Directors' view above.

Series C Financing

Pursuant to a number of capital increase agreements entered into, among others, between our Company and each of the investors of the Series C Financing (the "**Series C Investors**"), the Series C Investors agreed to subscribe for an aggregate of 2,769,230 new Shares (corresponding to additional registered share capital of RMB2,769,230) for the total subscription price of RMB179,999,940. Details of the subscription of the new Shares by the following Series C Investors (the "**Series C Financing**") was as follows:

Name of Series C Investor	Date of capital increase agreement	Number of Shares subscribed for	Subscription price	Corresponding approximate equity interest in our Company (upon completion of the Series C Financing)
Jiaxing Chengshun Phase II Equity Investment Partnership (Limited Partnership) 嘉興誠順貳期股權投資合夥企業(有限合夥) ("**Jiaxing Chengshun Phase II** ")	May 25, 2023 (as amended and supplemented by a supplemental agreement dated May 25, 2023)	1,538,462	RMB100,000,000	4.95%
Zhejiang Jiuli Investment Management Co., Ltd. (浙江久立投資管理有限公司) ("**Zhejiang Jiuli Investment**")	May 31, 2023 (as amended and supplemented by a supplemental agreement dated May 31, 2023)	461,538	RMB29,999,970	1.49%
Neijiang High-tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司) ("**Neijiang High-tech Investment**")	June 15, 2023 (as amended and supplemented by a supplemental agreements dated June 15, 2023)	461,538	RMB29,999,970	1.49%
Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司) ("**Jinxuntong Software Technology**")	November 28, 2022 (as amended and supplemented by two supplemental agreement dated November 28, 2022 and June 2, 2023)	277,692	RMB18,050,000	0.89%
Zhang Weihua (張偉華)	June 15, 2023	20,000	RMB1,300,000	0.06%
Chen Xuanjun (陳宣君)	June 15, 2023	10,000	RMB650,000	0.03%
Total		**2,769,230**	**RMB179,999,940**	**8.92%**

The consideration of the Series C Financing was determined after arm's length negotiations between our Company and the Series C Investors with reference to the then status of the business development of our Company, and was supported by the appraised value of the total shareholders' equity in our Company by an independent asset appraisal agency by using the income approach with November 30, 2022 as the reference date. For details, see "Pre-IPO Investments" in this section below.

Concurrent equity transfers

After the Withdrawal from Quotation on the N Board and concurrently with the abovementioned Series C Financing, there were several investments by certain Pre-IPO Investors by way of equity transfers ("**2023 Investments by Equity Transfers**") and equity transfers between our Shareholders as follows:

Selling Shareholder	Purchaser	Date of share transfer agreement	Number of Shares transferred	Consideration	Corresponding approximate equity interest in our Company (upon completion of the Series C Financing)
2023 Investments by Equity Transfers					
Voicecomm Rongzhi	Chongqing Yuanzhi Xingjian Information Technology Partnership (Limited Partnership) (重慶遠致行健信息技術合夥企業(有限合夥)) ***("Yuanzhi Xingjian")***	February 3, 2023 (as amended and supplemented by two supplemental agreements dated February 3, 2023 and June 15, 2023)	141,442	RMB9,193,700	0.46%
Voicecomm Rongzhi	Ms. Song Qimin (宋琦敏)	May 20, 2023	50,000	RMB3,250,000	0.16%
Voicecomm Rongzhi	Shanghai Zhuyi Enterprise Management Partnership (Limited Partnership) (上海杼翊企業管理合夥企業(有限合夥)) ***("Zhuyi Enterprise Management")***	May 22, 2023	50,000	RMB3,250,000	0.16%
Chenqi Information	Ms. Pan Qi (潘琪)	March 1, 2023	30,000	RMB1,950,000	0.10%

Selling Shareholder	Purchaser	Date of share transfer agreement	Number of Shares transferred	Consideration	Corresponding approximate equity interest in our Company (upon completion of the Series C Financing)
Equity Transfers between Shareholders in 2023					
Xue Guangtao (薛廣濤)	Voicecomm Rongzhi	May 25, 2023	30,000	RMB1,200,000	0.10%
Chenqi Information	Voicecomm Rongzhi	February 17, 2023	10,000	RMB650,000	0.03%
Jiageng Culture	Voicecomm Rongzhi	February 17, 2023	10,000	RMB650,000	0.03%

The consideration for the equity transfers above was determined after arm's length negotiations between the relevant parties following the same pricing basis as the Series C Financing (save for the transfer between Mr. Xue Guangtao (薛廣濤) and Voicecomm Rongzhi, which was determined after arm's length negotiations between the parties and in accordance with the original investment price of Mr. Xue Guangtao (薛廣濤), being RMB40 per Share, when he acquired the Shares through the trading platform of the N Board).

Upon completion of the Series C Financing and the aforesaid concurrent equity transfers in June 2023 (after also taking into account a number of share transfers conducted on the platform of the N Board by the Shareholders since the completion of the Series B+ Financing and up until the Withdrawal from Quotation on the N Board), the shareholding structure of our Company was as follows:

Shareholder	Number of Shares held	Shareholding *(Note 10)*
Voicecomm Rongzhi *(Notes 1 & 6)*	5,093,558	16.40%
Mr. Tang *(Notes 1 & 6)*	3,498,000	11.26%
Yingke Jiyun *(Note 2)*	2,400,000	7.73%
Chenqi Information	2,327,000	7.49%
Jiaxing Shangyu *(Note 3)*	1,800,000	5.80%
Mr. Sun *(Notes 4 & 6)*	1,800,000	5.80%
Jiaxing Chengshun Phase II	1,538,462	4.95%
Qingdao Yingke *(Note 2)*	1,250,000	4.02%
Mr. Qin	1,000,000	3.22%
Bodao Dinghua	750,000	2.41%
Gongqingcheng Huanping	745,000	2.40%
Xinzhuang Industrial Park	660,000	2.12%
Chengdu Technology Innovation Investment	603,000	1.94%

Shareholder	Number of Shares held	Shareholding *(Note 10)*
Gongqingcheng Softbank	600,000	1.93%
Jiageng Culture *(Notes 4 & 6)*	540,000	1.74%
Cuiwen Network	510,000	1.64%
Jiaxing Laida *(Note 3)*	500,000	1.61%
Zibo Bokai	500,000	1.61%
Huazi Shengtong	500,000	1.61%
Mr. Zhang Zhuo (張卓)	500,000	1.61%
Donghao Lansheng	500,000	1.61%
Zhejiang Jiuli Investment	461,538	1.49%
Neijiang High-tech Investment	461,538	1.49%
Mr. Yang Leizhe (楊蕾喆)	300,000	0.97%
Jinxuntong Software Technology	277,692	0.89%
Jingjin Investment	250,000	0.80%
Jiangfan Technology *(Notes 5 & 6)*	240,000	0.77%
Mr. Luo Jun (駱軍)	200,000	0.64%
Yuanzhi Xingjian *(Note 7)*	141,442	0.46%
Mr. Lu Liguang (盧禮光)	125,000	0.40%
Ms. Pan Peihong (潘培紅)	125,000	0.40%
Ms. Du Yingdong (杜英東)	100,000	0.32%
Mr. Bian Yulong (卞玉龍)	100,000	0.32%
Shanghai Jiayuan Intelligent Technology Co., Ltd. (上海嘉沅智能科技有限公司)	100,000	0.32%
Shanghai Juntuo *(Note 8)*	100,000	0.32%
Mr. Yan Zhiqiang (嚴志強)	80,000	0.26%
Ms. Xu Ping (許萍)	60,000	0.19%
Shandong Xizhan *(Note 9)*	50,000	0.16%
Mr. Ding Yi (丁毅)	50,000	0.16%
Ms. Song Qimin (宋琦敏)	50,000	0.16%
Zhuyi Enterprise Management	50,000	0.16%
Ms. Pan Qi (潘琪)	30,000	0.10%
Tongchuang Zhixing	22,000	0.07%
Jiangsu Xinzhi	20,000	0.06%
Mr. Feng Jian (馮健) *(Note 8)*	20,000	0.06%
Mr. Zhang Weihua (張偉華)	20,000	0.06%
Mr. Chen Xuanjun (陳宣君) *(Note 7)*	10,000	0.03%
Total	**31,059,230**	**100.00%**

Notes:

1. Voicecomm Rongzhi (formerly known as Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司)) is a company established in the PRC which was owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang was interested in an aggregate of approximately 27.66% of the issued shares of our Company at the time.

2. Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) as their general partner. Yingke Jiyun and Qingdao Yingke together were interested in an aggregate of approximately 11.75% of the issued shares of our Company at the time.

3. Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager. Jiaxing Shangyu and Jiaxing Laida together were interested in an aggregate of approximately 7.41% of the issued shares of our Company at the time.

4. Jiageng Culture is a company established in the PRC which was wholly-owned by Mr. Sun. As a result, Mr. Sun was interested in an aggregate of approximately 7.54% of the issued shares of our Company at the time.

5. Jiangfan Technology is a company established in the PRC which was wholly-owned by Jiangcheng Asset Management, and which was in turn held as to 60.0% by Mr. Yang, our non-executive Director and 40.0% by Mr. Jiang Haisheng (姜海生).

6. Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "Concert Party Arrangement" in this section below.

7. Mr. Chen Xuanjun (陳宣君) is the general partner of Yuanzhi Xingjian. Accordingly, Mr. Chen Xuanjun (陳宣君) and Yuanzhi Xingjian together were interested in an aggregate of approximately 0.49% of the issued shares of our Company at the time.

8. Shanghai Juntuo is wholly owned by Mr. Feng Jian. As a result, Mr. Feng Jian was interested in an aggregate of approximately 0.38% of the issued shares of our Company at the time.

9. Shandong Xizhan is currently known as Shanghai Hengxi Private Equity Fund Management Co., Ltd. (上海恒翕私募基金管理有限公司).

10. The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

Historical nominee arrangements and their termination

(i) Nominee arrangements between Shanghai Xiding and investors

As disclosed in the paragraph headed "Subscription of new Shares in 2016" in this section above, Shanghai Xiding subscribed for 750,000 Shares and held such Shares in the capacity as nominee shareholder for and on behalf of 17 investors (two of which being Mr. Yang and his wife).

Each of such 17 investors had entered into a share investment agreement in 2015 with Shanghai Xiding, our Company and Mr. Tang prior to the subscription of the Shares by Shanghai Xiding, pursuant to which each investor had agreed to subscribe for the agreed number of Shares at the consideration of RMB8.0 per Share, with Shanghai Xiding acting as a nominee shareholder and held such subscribed Shares for and on behalf of the investors. As confirmed by our Directors, the investors, Shanghai Xiding, our Company and Mr. Tang agreed to the nominee arrangements to reduce the administrative burden of managing the investors. All the nominee arrangements were terminated as at the Latest Practicable date, by the sale of the relevant Shares by Shanghai Xiding through the trading platform of the N Board and the return of sale proceeds to such investors.

(ii) Nominee arrangement between Mr. Tang and Mr. Qin

Between 2015 and 2017, (i) Mr. Qin made an investment in the amount of RMB2.0 million to acquire 250,000 Shares from Mr. Tang (the "**Share Investment**"); and (ii) Mr. Tang made several financial arrangements with Mr. Qin, pursuant to which Mr. Qin lent an aggregate of RMB4.2 million (the "**Loans**") to Mr. Tang. In 2018, Mr. Tang and Mr. Qin agreed to settle the Loans by Mr. Tang transferring a total of 750,000 Shares to Mr. Qin. As Mr. Tang and Mr. Qin did not immediately undergo the formal legal procedure to effectuate the transfer of Shares under the Share Investment and the settlement of the Loans, they agreed that the concerned aggregate of 1,000,000 Shares (the "**Settlement Shares**") shall be continued to be held by Mr. Tang for and on behalf of Mr. Qin for the time being. The nominee arrangement between Mr. Tang and Mr. Qin was subsequently fully terminated in 2019 and the return of the Settlement Shares was arranged through share transfers to Mr. Qin over the trading platform of the N Board.

OUR SUBSIDIARIES

The following table sets out the details of our subsidiaries as at the Latest Practicable Date:

Name of subsidiary	Place of establishment	Date of establishment	Registered capital as at the Latest Practicable date	Our Company's effective interest	Principal business activities
Voicecomm Yilian *(Note 1)*	PRC	July 13, 2020	RMB10 million	67%	Software and information technology services
Shandong Voicecomm Information Technology	PRC	November 10, 2020	RMB10 million	100%	Software and information technology services
Yuanya Information *(Note 2)*	PRC	July 27, 2017	RMB10 million	51%	Software and information technology services
Hainan Voicecomm Intelligent Technology	PRC	December 5, 2022	RMB10 million	100%	Software and information technology services

Name of subsidiary	Place of establishment	Date of establishment	Registered capital as at the Latest Practicable date	Our Company's effective interest	Principal business activities
Shandong Voicecomm Intelligent Technology	PRC	April 20, 2021	RMB10 million	100%	Software and information technology services
Jinxun Digital Intelligence *(Note 3)*	PRC	July 7, 2022	RMB5.5 million	51%	Software and information technology services
Voicecomm Jiachen	PRC	August 30, 2022	RMB20 million	100%	Software and information technology services
Voicecomm Gengyou	PRC	May 10, 2023	RMB20 million	100%	Software and information technology services
Voicecomm Xuanwu	PRC	May 11, 2023	RMB20 million	100%	Software and information technology services
Chongqing Voicecomm	PRC	June 8, 2023	RMB10 million	100%	Software and information technology services
Sichuan Voicecomm Zhigan	PRC	June 28, 2023	RMB20 million	100%	Software and information technology services
Voicecomm Yunxiu	PRC	June 28, 2023	RMB20 million	100%	Software and information technology services
Sichuan Voicecomm Zhishi	PRC	July 31, 2023	RMB30 million	100%	Software and information technology service

Name of subsidiary	Place of establishment	Date of establishment	Registered capital as at the Latest Practicable date	Our Company's effective interest	Principal business activities
Guang'an Voicecomm	PRC	August 23, 2023	RMB10 million	100%	Software and information technology services
Sichuan Voicecomm Yunji	PRC	April 19, 2024	RMB50 million	100%	Software and information technology service
Voicecomm (Hong Kong)	Hong Kong	May 24, 2024	HK$1	100%	Software and information technology service

Notes:

1. The remaining 33% of equity interests of Voicecomm Yilian was held by Shanghai Youjia Fire Engineering Testing Co., Ltd. (上海佑家消防工程檢測有限公司), which is an Independent Third Party.

2. We acquired 51% of equity interests in Yuanya Information from Cuiwen Network in February 2021. As at the Latest Practicable Date, Yuanya Information is held as to 51% by our Company and 49% by Cuiwen Network. For details, see "Acquisitions during the Track Record Period" in this section below.

3. We acquired 51% of equity interests in Jinxun Digital Intelligence from Jinxuntong Software Technology in December 2022. As at the Latest Practicable Date, Jinxun Digital is held as to 51% by our Company and 49% by Jinxuntong Software Technology. For details, see "Acquisitions during the Track Record Period" in this section below.

For changes in the registered capital of our subsidiaries, see "Statutory and General Information – 3. Changes in the share capital of our subsidiaries" in this prospectus.

ACQUISITIONS DURING THE TRACK RECORD PERIOD

Yuanya Information

Pursuant to an equity transfer agreement dated February 26, 2021 (as amended and supplemented by two supplemental agreements dated February 27, 2021) entered into between, among others, our Company, Cuiwen Network (a Pre-IPO Investor in our Series B Financing) and Yuanya Information, we acquired from Cuiwen Network 51% of the equity interests of Yuanya Information at the consideration of RMB20,400,000. The consideration was arrived after arm's length negotiation between the parties with reference to, among others, the valuation of the intangible assets of Yuanya Information as of January 31, 2021 conducted by an independent valuer, and the financial performance of Yuanya Information as of January 31, 2021. Yuanya Information is a limited liability company established in the PRC in 2017. It was principally engaged in, among others, the development and sales of automobile direct sales platforms, and it held 13 software copyrights (in relation to, among others, customer relationship management, purchase order management, and automobile e-commerce platform) at the time of its acquisition by our Group. The Directors believe the acquisition of a controlling stake in Yuanya Information would have the following benefits:

(i) **Technology synergy effect**. Our Group is an upstream technology provider while Yuanya Information is a downstream system integrator. Through the acquisition of a majority stake in Yuanya Information, it could facilitate the resource and technological knowhow sharing and communication between our Group and Yuanya Information. On one hand, our Group could benefit from the knowhow of Yuanya Information (including the software copyrights obtained along the acquisition) and leverage on Yuanya Information's understanding to the end users' demands and preferences accumulated over its years as system integrator, which could facilitate our development of solutions that would better serve the end users' needs, and thus further promoting the competitiveness of our solution offerings. On the other hand, Yuanya Information could benefit from our high-quality solutions, which could promote customers' satisfaction and potentially higher sales.

(ii) **Market synergy effect**. As both of our Group and Yuanya information have a broad clientele in the automobile industry, the acquisition would enable our Group and Yuanya to gain access to each other's clientele, explore more potential business opportunities, and potentially facilitating the market expansion for both parties and expanding their revenue streams.

Upon completion of the acquisition on July 19, 2021, Yuanya Information became our non-wholly owned subsidiary which is owned as to 51% by our Company and 49% by Cuiwen Network. The financial information of Yuanya Information since the completion of the acquisition has been reflected in our consolidated financial statements for the Track Record Period. Our Directors have confirmed that none of the applicable percentage ratios as stipulated under the Listing Rules of the above-mentioned acquisition of Yuanya Information exceeds 25%. Accordingly, the acquisition of Yuanya Information during the Track Record

Period does not amount to a major acquisition under Rule 4.05A of Listing Rules, and the pre-acquisition financial information of Yuanya Information is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules. For details, see Note 34 to the Accountant's Report in Appendix I to this prospectus.

As confirmed by our Directors, our acquisition of Yuanya Information and the investment of Cuiwen Network in the Series B Financing were not inter-conditional upon each other and were both conducted after arm's length negotiations between the relevant parties.

Jinxun Digital Intelligence

Pursuant to an equity transfer agreement dated November 28, 2022 (as amended and supplemented by two supplemental agreements dated November 28, 2022 and June 2, 2023) entered into between our Company, Jinxuntong Software Technology (a Pre-IPO Investor in the Series C Financing) and Jinxun Digital Intelligence, we obtained 51% of the equity interests of Jinxun Digital Intelligence partly through acquisition from Jinxuntong Software Technology and partly through capital injection at the total consideration of RMB28,050,000. The consideration was arrived after arm's length negotiation between the parties, and was supported by the valuation of the equity interests of Jinxun Digital Intelligence with December 30, 2022 as the reference date conducted by an independent valuer. Jinxun Digital Intelligence is a limited liability company established in the PRC in 2022. It was principally engaged in, among others, the operation of the "12345" government service platform and the big data governance platform. The acquisition of a controlling stake in Jinxun Digital Intelligence would enable our business expansion in the field of government service and big data governance.

Upon completion of the acquisition on December 30, 2022, Jinxun Digital Intelligence became our non-wholly owned subsidiary which is owned as to 51% by our Company and 49% by Jinxuntong Software Technology. The financial information of Jinxun Digital Intelligence since the completion of the acquisition has been reflected in our consolidated financial statements for the Track Record Period. Our Directors have confirmed that none of the applicable percentage ratios as stipulated under the Listing Rules of the above-mentioned acquisition of Jinxun Digital Intelligence exceeds 25%. Accordingly, the acquisition of Jinxun Digital Intelligence during the Track Record Period does not amount to a major acquisition under Rule 4.05A of Listing Rules, and the pre-acquisition financial information of Jinxun Digital Intelligence is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules. For details, see Note 34 to the Accountant's Report in Appendix I to this prospectus.

As confirmed by our Directors, our acquisition of Jinxun Digital Intelligence and Jinxuntong Software Technology's investment in the Series C Financing were not inter-conditional upon each other and were both conducted after arm's length negotiations between the relevant parties.

To the best knowledge and information of our Directors, save that (i) Cuiwen Network and Jinxuntong Software Technology are our Pre-IPO Investors and currently our Shareholders; (ii) one of the shareholders of Cuiwen Network, Mr. Wei Yangchun (衛陽春), is a director, the legal representative and general manager of Yuanya Information; (iii) two of the shareholders of Jinxuntong Software Technology, namely Mr. Han Zhaoning (韓召寧) and Mr. Shen Xiaobei (沈孝北), are the director, legal representative and general manager of Jinxun Digital Intelligence and supervisor of Jinxun Digital Intelligence, respectively, Cuiwen Network, Jinxuntong Software Technology and each of their respective shareholders/beneficial owners has no other relationship with our Company, our Shareholder(s) and/or the connected persons of our Company. As disclosed above, the considerations for acquisitions of Yuanya Information and Jinxun Digital Intelligence have been arrived after arm's length negotiation between the relevant parties, and were supported by the relevant valuation on Yuanya Information and Jinxun Digital Intelligence, respectively.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, our Group did not have any other significant acquisitions, disposals or mergers. As advised by our PRC Legal Adviser, each of the above-mentioned acquisitions has been conducted in compliance with applicable laws and regulations of the PRC and has been legally completed and duly registered with local registration authorities of the PRC.

CONCERT PARTY ARRANGEMENT

Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any Shares or upon the termination of the Concert Party Agreement. In particular, among others, Mr. Tang, Mr. Sun and Jiangfan Technology have agreed that (i) they shall reach consensus before voting unanimously at the general meetings or board meetings of the Company; (ii) Mr. Tang and Mr. Sun shall be responsible for the production and operation of the Company, and Jiangfan Technology shall not involve in such matters; (iii) in the event consensus cannot be reached among the parties, the parties shall follow the instruction of Mr. Tang; and (iv) upon the execution of the Concert Party Agreement, all Shares directly or indirectly held by the parties shall nonetheless be bound by the terms of the agreement, and the parties shall exercise their voting rights in accordance with the Concert Party Agreement.

As of the Latest Practicable Date, by virtue of the Concert Party Agreement, Mr. Tang, Mr. Sun and Jiangfan Technology were collectively entitled to exercise voting rights of approximately 35.97% of the voting rights in our Company, among which:

(i) Mr. Tang was able to exercise approximately 27.66% of the voting rights in our Company through (a) his direct individual interest as to approximately 11.26%; and (b) Voicecomm Rongzhi as to approximately 16.40%. Voicecomm Rongzhi is a company established in the PRC which is owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang);

(ii) Mr. Sun was able to exercise approximately 7.54% of the voting rights in our Company through (a) his direct individual interest as to approximately 5.80%; and (b) Jiageng Culture as to approximately 1.74%. Jiageng Culture is a company established in the PRC which is wholly-owned by Mr. Sun; and

(iii) Jiangfan Technology was able to exercise approximately 0.77% of the voting rights in our Company. Jiangfan Technology is wholly owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang, our non-executive Director, and 40.0% by Mr. Jiang Haisheng (姜海生).

In light of the above, Mr. Tang, Ms. Xu (the spouse of Mr. Tang holding 1% of equity interests in Voicecomm Rongzhi), Voicecomm Rongzhi, Mr. Sun, Jiageng Culture, Mr. Yang, Mr. Jiang Haisheng (姜海生) (holding indirectly 40% of equity interests in Jiangfan Technology), Jiangfan Technology and Jiangcheng Asset Management (the holding company of Jiangfan Technology) will be a group of Controlling Shareholders upon Listing. For details, see "Relationship with our Controlling Shareholders" in this prospectus.

Background leading to Jiangfan Technology becoming a Shareholder and entering into the Concert Party Agreement

Mr. Yang Xiaoyuan (our non-executive Director) and his spouse invested in our Company back in 2015 through the nominee arrangements with Shanghai Xiding (for details, see "Historical nominee arrangements and their termination – (i) Nominee arrangements between Shanghai Xiding and investors" in this section below). Subsequently, upon the termination of the relevant nominee arrangements and restoration of the relevant equity interests, the relevant Shares were transferred to and held by Jiangfan Technology (a company indirectly held as to 60% by Mr. Yang Xiaoyuan) in March 2021 at the instruction of Mr. Yang Xiaoyuan and his spouse.

Mr. Yang Xiaoyuan and Mr. Tang both attended and graduated from Donghua University (formerly known as China Textile University (中國紡織大學)) in 1999 and have been friends for many years. He was nominated to the Board by Mr. Tang in May 2018, and had been working alongside Mr. Tang and Mr. Sun for handling matters of the Board over the years. To the best information and knowledge of our Directors, Mr. Yang Xiaoyuan was confident in the leadership of Mr. Tang and Mr. Sun in our operation as well as the prospect of our Group.

Due to the dilution of shareholding interests following the several rounds of Pre-IPO Investments, and by reasons of the longtime friendship and working relationship between Mr. Yang Xiaoyuan and Mr. Tang, with a view to consolidate control of our Company and exert greater influence on its management, Mr. Yang Xiaoyuan agreed to Jiangfan Technology entering into the Concert Party Agreement with Mr. Tang and Mr. Sun.

PRE-IPO INVESTMENTS

The Pre-IPO Investments include: (i) Series A Financing; (ii) Series B Financing; (iii) Series B+ Financing; (iv) Series C Financing; and (v) the 2023 Investments by Equity Transfers. Our Company became acquainted with each of the Pre-IPO Investors through various means such as introduction by the financial advisers engaged by our Company for the purpose of the Pre-IPO Investments, through introduction by our Directors, Shareholders or business partners or through networking events.

	Series A Financing	Series B Financing	Series B+ Financing	Series C Financing	2023 Investments by Equity Transfers
Date of agreements	See "Series A Financing" in this section above.	See "Series B Financing" in this section above.	See "Series B+ Financing" in this section above.	See "Series C Financing" in this section above.	See "Concurrent equity transfers" in this section above.
The last payment date of investment sum in the relevant round of investment	September 29, 2020	July 28, 2021	October 12, 2022	June 25, 2023	May 26, 2023
Approximate cost per Share paid(1)	RMB15.00	RMB40.00	RMB40.00	RMB65.00	RMB65.00
Discount to the Offer Price(2)	89.19%	71.16%	71.16%	53.14%	53.14%
Amount of consideration paid	RMB74,400,000	RMB140,400,000	RMB104,800,000	RMB179,999,940	RMB17,643,730

	Series A Financing	Series B Financing	Series B+ Financing	Series C Financing	2023 Investments by Equity Transfers
Use of proceeds from the Pre-IPO Investments	The proceeds of the Pre-IPO Investments (other than the 2023 Investments by Equity Transfers) have been used to finance (i) our business operation team development, business development and projects execution; and (ii) the research and development of our Group. As of the Latest Practicable Date, the net proceeds from the Pre-IPO Investments (other than the 2023 Investments by Equity Transfers) had been fully utilized.				
Strategic benefits of the Pre-IPO Investors brought to our Company	At the time of the Pre-IPO Investments, our Directors were of the view that (i) the Pre-IPO Investments would strengthen our shareholder base; and (ii) our Company could benefit from the additional capital from the Pre-IPO Investor Investments and the Pre-IPO Investors' knowledge and experience. Furthermore, our Directors believe that the Pre-IPO Investments are demonstrations of confidence from the Pre-IPO Investors in our operation, which serves as endorsements of our performance and prospects. Further, our non-executive Directors represent certain of our Pre-IPO Investors and they complement our executive Directors to support good corporate governance.				
Lock-up	Pursuant to the PRC Company Law, all the existing Shareholders (including the Pre-IPO Investors) are subject to a 12-month lock-up period from the Listing Date.				

Notes:

(1) Calculated by dividing the total amount of the investment sums paid in the relevant round of financing with the number of Shares acquired by the relevant investors before the Listing.

(2) Calculated based on the currency translation of HK$1 to RMB0.9120 and at the Offer Price of HK$152.10 per H Share.

Special Rights of the Pre-IPO Investors

In connection with the pre-IPO investments, certain Pre-IPO Investors were entitled to certain customary special rights, including among others, financial performance guarantee, redemption right, information right, tag-along right, anti-dilution right, liquidation preferences, director nomination right and prior consent for certain corporate actions (collectively the "**Special Rights**").

In connection to the foresaid, pursuant to the supplemental agreements entered into, among others, the Pre-IPO Investors and our Company, all the Special Rights have been terminated automatically upon our Company's submission of listing application for its listing of H Shares on the Stock Exchange, provided that all such Special Rights shall automatically be reinstated upon the earliest occurrence of any one of the following events: (i) the Listing does not occur before December 31, 2024 (or December 31, 2025 for certain Pre-IPO Investment); (ii) our Company withdraws its Listing application; or (iii) our Listing application is rejected.

Information about our Pre-IPO Investors

Information of our Pre-IPO Investors (i.e. the investors in (i) the Series A Financing; (ii) the Series B Financing; (iii) the Series B+ Financing; (iv) the Series C Financing; and (v) the 2023 Investments by Equity Transfers) are as set out below:

1. **Gongqingcheng Softbank**: Gongqingcheng Softbank is a limited partnership established in the PRC and is managed by Gongqingcheng Softbank Zhongan Investment Co., Ltd. (共青城軟銀中安投資有限公司) ("**Softbank Zhongan**") as its general partner with approximately 80% partnership interest. Softbank Zhongan is a limited liability company established in the PRC which is held as to 90% by Mr. Ma Jun (馬俊) and 10% by Ms. Ma Tiantian (馬天添). Ms. Ma Tiantian is also the sole limited partner of Gongqingcheng Softbank holding 20% partnership interest, and currently serving as its supervisor and development manager. Gongqingcheng Softbank engages in investment, with primary investment areas on, among others, new energy industry, new material industry, healthcare, supply chain finance industry, artificial intelligence industry, culture and tourism industry and information technology industry, etc. Ms. Ma Tiantian is currently serving as our non-executive Director.

2. **Qifeng Investment (Jiaxing Shangyu & Jiaxing Laida)**: Jiaxing Shangyu is a private equity fund established in the PRC with investment focus in technology and new generation information technology enterprises. Jiaxing Laida is a private equity fund established in the PRC with investment focus in technology and new generation information technology enterprises. Both Jiaxing Shangyu and Jiaxing Laida are managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) ("**Qifeng Investment**") as their respective general partner and fund manager, which held approximately 0.79% of the partnership interest in Jiaxing Shangyu and approximately 0.50% of the partnership interest in Jiaxing Laida. Qifeng Investment is a limited liability company established in the PRC and a registered private fund manager under the relevant PRC Laws, which is owned as to approximately 54.50% and 45.50% by Mr. Zhao Qi (趙琦) and Mr. Zhao Fenggao (趙鳳高), respectively. Jiaxing Shangyu has two limited partners, being Ms. Gu Luying (顧陸英) and Ms. Wang Weilu (王維璐), holding approximately 74.23% and 24.98% of the partnership interests in Jiaxing Shangyu, respectively. To the best knowledge and information of our Directors, the said limited partners of Jiaxing Shangyu are independent from each other. Jiaxing Laida has three limited partners, being Ms. Wang Jing (王靜), Mr. Zhao Fenggao (趙鳳高) and Mr. Dong Zongde (董宗德), holding approximately 50.00%, 34.50% and 15.00% of the partnership interests in Jiaxing Laida. To the best knowledge and information of our Directors, the said limited partners of Jiaxing Laida are independent from each other.

3. **Yingke Innovation (Yingke Jiyun & Qingdao Yingke)**: Yingke Jiyun is a private equity fund established in the PRC with investment focus in industries including healthcare, key & core technology and new energy. It is managed by Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) ("**Yingke Innovation**") as its general partner and fund manager, holding directly approximately 1.00% of partnership interest in Yingke Jiyun. Yingke Innovation is a registered private fund manager under the relevant PRC law, and is ultimately controlled by Mr. Qian Mingfei (錢明飛). Yingke Jiyun has ten limited partners, with the largest limited partner being Zibo Caijin Holding Group Co., Ltd. (淄博市財金控股集團有限公司) directly holding approximately 24.5% of the partnership interests in Yingke Jiyun. None of the other limited partners of Yingke Jiyun directly holds more than 30% of the partnership interests in Yingke Jiyun.

   To the best knowledge and information of our Directors, the details and background of the limited partners of Yingke Jiyun are as follows:

Name of limited partner	Percentage of partnership interests in Yingke Jiyun	Place of establishment	Principal business
Zibo Caijin Holding Group Co., Ltd. (淄博市財金控股集團有限公司) ("**Zibo Caijin Holding**") *(Note i)*	24.50%	PRC	Including, among others, venture investment in unlisted companies and engaging in investment activities with proprietary funds
Zibo Qixin Asset Management Co., Ltd. (淄博齊信資產管理有限公司) ("**Zibo Qixin AM**") *(Note i)*	19.50%	PRC	Including, among others, trust asset management and outward investment using proprietary funds
Changan Fortune Asset Management Co., Ltd. (長安財富資產管理有限公司) ("**Changan Fortune AM**") *(Note ii)*	14.78%	PRC	Specific client asset management business

Name of limited partner	Percentage of partnership interests in Yingke Jiyun	Place of establishment	Principal business
Zibo Yingke Core Value No. 6 Venture Capital Partnership (Limited Partnership) 淄博盈科核心價值六號創業投資合夥企業(有限合夥)) ("**Zibo Yingke Venture Capital**") *(Note iii)*	13.35%	PRC	Including, among others, venture investment in unlisted companies and engaging in investment activities with proprietary funds
Zibo Qilu Venture Capital Co., Ltd. (淄博齊魯創業投資有限責任公司) ("**Zibo Qilu Venture Capital**") *(Note i)*	12.50%	PRC	Including, among others, venture investment in unlisted companies and engaging in investment activities with proprietary funds
Zibo High-tech Industry Investment Co., Ltd. (淄博高新產業投資有限公司) ("**Zibo High-tech Industry Investment**") *(Note iv)*	5.00%	PRC	Including, among others, corporate management consulting and engaging in investment activities with proprietary funds
Zibo Jincai Public Assets Management Co., Ltd. (淄博金財公有資產經營有限公司) ("**Zibo Jincai**") *(Note v)*	2.50%	PRC	Including, among others, park management services and engaging in investment activities with proprietary funds
Zibo Zichuan District Caijin Holdings Co., Ltd. (淄博市淄川區財金控股有限公司) ("**Zichuan Caijin Holdings**") *(Note vi)*	2.50%	PRC	Including, among others, venture investment in unlisted companies

Name of limited partner	Percentage of partnership interests in Yingke Jiyun	Place of establishment	Principal business
Zibo Wenchang Lake Public Assets Management Co., Ltd. (淄博文昌湖公有資產經營有限公司) ("**Wenchang Lake PAM**") *(Note vii)*	2.50%	PRC	Including, among others, government entrusted public asset management and urban and rural infrastructure construction
Zibo Yingke Growth No. 9 Equity Investment Partnership (Limited Partnership) (淄博盈科成長九號股權投資合夥企業(有限合夥) ("**Zibo Yingke Equity Investment**") *(Note viii)*	1.87%	PRC	Including, among others, equity investment, investment management, and asset management

Notes:

i. Zibo Caijin Holding, Zibo Qixin AM and Zibo Qilu Venture Capital are ultimately controlled by Zibo Finance Bureau (淄博市財政局).

ii. Changan Fortune AM is the asset manager of Changan Asset Hengfeng Bank Venture Capital No. 1 Single Asset Management Plan (長安資產恒豐銀行創投1號單一資產管理計劃) and represents such asset management plan to be a limited partner of Yingke Jiyun. Changan Fortune AM is held as to 80% by Changan Fund Management Co., Ltd. (長安基金管理有限公司) ("**Changan Fund Management**") and 20% by Shanghai Jingtang Enterprise Management Consulting Partnership (Limited Partnership) (上海景唐企業管理諮詢合夥企業(有限合夥)). Changan Fund Management has five shareholders, with the largest shareholder being Changan International Trust Co., Ltd. (長安國際信託股份有限公司) ("**Changan International Trust**"), holding approximately 29.63% of equity interests in Changan Fund Management. Changan International Trust has seven shareholders, with the largest being Xian Investment Holding Co., Ltd. (西安投資控股有限公司), holding approximately 40.44% of the equity interests in Changan International Trust, which is in turn wholly-owned by the Xian Finance Bureau.

iii. Zibo Yingke Venture Capital is managed by Guangxi Yingji Investment Holdings Co., Ltd. (廣西盈吉投資控股有限公司) as its general partner, holding approximately 1.67% of its partnership interests. Guangxi Yingji Investment Holdings Co., Ltd. is controlled by Yingke Innovation. Zibo Yingke Venture Capital has three limited partners, with Yingjia Keda Investment Co., Ltd. holding approximately 97.50% of the partnership interests, which is in turn wholly-owned by Yingke Innovation.

iv. Zibo High-tech Industry Investment is ultimately controlled by the Finance Bureau of Zibo High-tech Industrial Development Zone (淄博高新技術產業開發區財政局).

v. Zibo Jincai is wholly-owned by the Zibo Zhoucun Finance Bureau (淄博市周村區財政局).

vi. Zichuan Caijin Holdings is ultimately controlled by the Zibo Zichuan Finance Bureau (淄博市淄川區財政局).

vii. Wenchang Lake PAM is held as to approximately 60.47% by Zibo Cultural Tourism Development Group Co., Ltd. (淄博文旅發展集團有限公司) and 39.53% by the Finance Bureau of Zibo Wenchang Lake Provincial Tourism Resort Management Committee (淄博文昌湖省級旅遊度假區管理委員會財政局). Zibo Cultural Tourism Development Group Co., Ltd. is indirectly held as to approximately 99.10% by Zibo Finance Bureau (淄博市財政局).

viii. Zibo Yingke Equity Investment is managed by Yingke Innovation as its general partner, holding approximately 1 % of its partnership interests. Yingjia Keda Investment Co., Ltd. (盈嘉科達投資有限公司) is the sole limited partner of Zibo Yingke Equity Investment, holding 99% of its partnership interest and is wholly-owned by Yingke Innovation.

To the best knowledge and information of our Directors, save that (i) Zibo Caijin Holding, Zibo Qixin AM, Zibo Qilu Venture Capital and Wenchang Lake PAM are ultimately controlled by Zibo Finance Bureau (淄博市財政局); (ii) Zibo High-tech Industry Investment is ultimately controlled by the Finance Bureau of Zibo High-tech Industrial Development Zone (淄博高新技術產業開發區財政局); (iii) Zibo Jincai is wholly-owned by the Zibo Zhoucun Finance Bureau (淄博市周村區財政局); (iv) Zichuan Caijin Holdings is ultimately controlled by the Zibo Zichuan Finance Bureau (淄博市淄川區財政局); and (v) Zibo Yingke Venture Capital and Zibo Yingke Equity Investment are both controlled by Yingke Innovation, the limited partners of Yingke Jiyun are independent from each other.

Qingdao Yingke is a private equity fund established in the PRC with investment focus in industries including healthcare, key & core technology and new energy. It is also managed by Yingke Innovation. Qingdao Yingke has four limited partners, being Qingdao City Investment Technology Development Co., Ltd. (青島城投創業投資有限公司), Yantai Chuangji Real Estate Co., Ltd. (煙台創吉置業有限公司), Qingdao (Jiaozhou) Urban and Rural Community Construction Investment Co., Ltd. (青島(膠州)城鄉社區建設投資有限公司) and Qingdao Huiquan Private Capital Management Co., Ltd. (青島匯泉民間資本管理有限公司), holding approximately 86.00%, 10.00%, 2.00% and 1.00% of the partnership interests in Qingdao Yingke, respectively. All the aforesaid limited partners of Qingdao Yingke are ultimately controlled by the State-Owned Assets Supervision & Administration Commission of Qingdao People's Government (青島市人民政府國有資產監督管理委員會). Mr. Chen Yulei was nominated by Yingke Innovation to be our non-executive Director.

4. **Xinzhuang Industrial Park**: Xinzhuang Industrial Park is a state-owned limited liability company established in the PRC, wholly owned by the State-owned Assets Supervision and Administration Commission of Shanghai Minhang District (上海市閔行區國有資產監督管理委員會). Xinzhuang Industrial Park primarily engaged in establishment of industry park, attraction of investment, and corporate services, with a focus on the development of electromechanical and automotive components, major equipment, aerospace, electronic information, new materials, new energy and fine chemicals, biopharmaceuticals and service-oriented manufacturing industries, etc.

5. **Zibo Bokai**: Zibo Bokai is a limited liability company established in the PRC which is wholly-owned by the Management Committee of Boshan Economic Development Zone, Shangdong Province (山東省博山經濟開發區管理委員會). Zibo Bokai is mainly engaged in park development and supporting facilities construction.

6. **Huazi Shengtong**: Huazi Shengtong is a private equity fund established in the PRC with investment focus in the fields of high-end equipment manufacturing, new energy and new materials, and new generation information technology. It is managed by Qingdao Science and Technology Venture Capital Co., Ltd. (青島市科技風險投資有限公司) ("**Qingdao Science and Technology Investment**") as its general partner and fund manager with approximately 0.50% partnership interest. Qingdao Science and Technology Investment is a limited liability company established in the PRC and a registered private fund manager under the relevant PRC Laws. Huazi Shengtong has one limited partner, being Qingdao Huatong Venture Capital Investment Co., Ltd. (青島華通創業投資有限責任公司) ("**Huatong Venture Capital**"), which holds 99.50% of partnership interest in Huazi Shengtong. Qingdao Science and Technology Investment and Huatong Venture Capital are respectively ultimately controlled by the State-Owned Assets Supervision & Administration Commission of Qingdao Municipal People's Government (青島市人民政府國有資產監督管理委員會).

7. **Jingjin Investment**: Jingjin Investment is a limited liability company established in the PRC which primarily conduct investments in the fields of, among others, information technology, intelligent manufacturing and energy saving and environmental protection, healthcare, consumption and new energy. It is ultimately held as to 99.00% by Mr. Wu Mengxia (吳夢俠) and 1.00% by Ms. Wu Mengxue (吳夢雪).

8. **Cuiwen Network**: Cuiwen Network is a limited liability company established in the PRC which is owned as to 79.00% by Mr. Wei Yangchun (衛陽春), 10.00% by Shanghai Yuanya Enterprise Management Consulting Center (Limited Partnership), 6.00% by Mr. Li Yipeng (李仡鵬), and 5.00% by Mr. Lu Bin (陸斌). Shanghai Yuanya Enterprise Management Consulting Center (Limited Partnership) is a limited partnership established in the PRC which is held as to 80.25% by Mr. Wei Yangchun (衛陽春) as its managing general partner, and 19.75% by Mr. Li Yipeng (李仡鵬) as its limited partner. Cuiwen Network is principally engaged in the development and application of software technology. In February 2021, separately from the Pre-IPO Investments, we acquired 51% of the equity interests of Yuanya Information from Cuiwen Network (which still held 49% of equity interests in Cuiwen Network as at the Latest Practicable Date). For details of the said acquisition, see "Acquisitions during the Track Record Period" in this section above.

9. **Gongqingcheng Huanping**: Gongqingcheng Huanping is a government-led fund established in the PRC with investment focus in energy saving and environmental protection, new energy, new materials and high-tech manufacturing. It is managed by Chongqing Environmental Protection Industry Private Equity Investment Fund Management Co., Ltd. (重慶環保產業私募股權投資基金管理有限公司) ("**Chongqing Environmental Fund**") as its general partner and fund manager with 1.00% partnership interest in Gongqingcheng Huanping. Chongqing Environmental Fund is in turn a limited liability company established in the PRC and a registered private fund manager under the relevant PRC law.

   To the best knowledge and information of our Directors, the details and background of the shareholders of Chongqing Environmental Fund are as follows:

Name of shareholder	**Percentage of equity interests in Chongqing Environmental Fund**	**Place of establishment**	**Principal business**
Chongqing Development Investment Co., Ltd. (重慶發展投資有限公司) ("**Chongqing Development Investment**") *(Note i)*	33%	PRC	Including, among others, engaging in fund, equity, and debt investment and management
Beijing Baishida Investment Management Co., Ltd. (北京百事達投資管理有限公司) ("**Beijing Baishida**") *(Note ii)*	28%	PRC	Project investment management
China Green Enterprise Limited (中綠實業有限公司) ("**China Green Enterprise**") *(Note iii)*	18%	PRC	Primarily in the environmental industry, including but not limited to the development of environment management information system, development of environmental-friendly technologies and product manufacturing investment

Name of shareholder	Percentage of equity interests in Chongqing Environmental Fund	Place of establishment	Principal business
Wuhu Conch Venture Industrial Company Limited (蕪湖海創實業有限責任公司) ("**Wuhu Conch**") *(Note iv)*	10%	PRC	Industrial investment
Fengdu County State-Owned Assets Management Investment Co., Ltd. (豐都縣國有資產經營投資集團有限公司) ("**Fengdu SAMI**") *(Note v)*	6%	PRC	Including, among others, state-owned asset management and utilizing state-owned assets for project investment (financing)
Beijing P.C. Lee Jiazhou Beef Noodles King Limited Company (北京李先生加州牛肉麵大王有限公司) ("**P.C. Lee Jiazhou Beef Noodles**") *(Note vi)*	5%	PRC	Catering

Notes:

i. Chongqing Development Investment is wholly-owned by Chongqing State-owned Assets Supervision and Administration Commission (重慶市國有資產監督管理委員會).

ii. Beijing Baishida is held by five individuals, with the largest shareholder being Mr. Zhang Linbing (張林兵), holding 25% of the equity interests of Beijing Baishida.

iii. China Green Enterprise is wholly-owned by the Foreign Environmental Cooperation Center, Ministry of Ecology and Environment (生態環境部對外合作與交流中心).

iv. Wuhu Conch is ultimately wholly-owned by China Conch Venture Holdings Limited (中國海螺創業控股有限公司), a company whose shares are listed on the Stock Exchange (stock code: 586).

v. Fengdu SAMI is ultimately wholly-owned by Fengdu County State-owned Assets Affairs Center (豐都縣國有資產事務中心).

vi. P.C. Lee Jiazhou Beef Noodles is wholly owned by Mr. Lee Business Management Co., Ltd. (李先生商業管理有限公司), which is in turn held as to approximately 52.09% by Beijing Baishida and 47.91% by six other shareholders.

Gongqingcheng Huanping has two limited partners, being Guang'an Xiaoping Hometown Development Fund Center (Limited Partnership) (廣安小平故里發展基金中心(有限合夥)) and Chongqing Environmental Protection Industry Equity Investment Fund Partnership (Limited Partnership) (重慶環保產業股權投資基金合夥企業(有限合夥)), which hold 49% and 50% of the fund interests in Gongqingcheng Huanping, respectively. Guang'an Xiaoping Hometown Development Fund Center (Limited Partnership) (廣安小平故里發展基金中心(有限合夥)) is a private equity fund established in the PRC which is ultimately controlled by the Guang'an Government State-owned Assets Supervision and Administration Commission (廣安市政府國有資產監督管理委員會). Chongqing Environmental Protection Industry Equity Investment Fund Partnership (Limited Partnership) (重慶環保產業股權投資基金合夥企業(有限合夥)) is a private equity fund established in the PRC which is managed by Chongqing Environmental Fund, and is held as to approximately 31.00% by Wuhu Conch, 31.00% by Chongqing Development Investment, 18.60% by Fengdu SAMI, 15.50% by P.C. Lee Jiazhou Beef Noodles, 3.10% by Beijing Baishida and 0.81% by Chongqing Environmental Fund. To the best knowledge and information of our Directors, the limited partners of Gongqingcheng Huanping are independent from each other.

10. **Donghao Lansheng**: Donghao Lansheng is a private equity fund established in the PRC with investment focus in the field of human resource services. It is managed by Shanghai Foreign Service Investment Management Co. Ltd (上海外服股權投資管理有限公司) ("**FSG Capital**") as its general partner and fund manager. FSG Capital is a limited liability company established in the PRC and a registered private fund manager under the relevant PRC law. FSG Capital is owned as to (i) 35.00% by Shanghai Foreign Service (Group) Co., Ltd. (上海外服(集團)有限公司), which is wholly-owned by Shanghai Foreign Service Holding Group Co., Ltd. (上海外服控股集團股份有限公司) (a company listed on the Shanghai Stock Exchange, stock code: 600662); (ii) 35.00% by Shanghai Hualin Equity Investment Management Centre LLP (上海華麟股權投資管理中心(有限合夥)) ("**Hualin Equity Investment**"), which is in turn managed by Shanghai Huatan Enterprise Management Co., Ltd. (上海華錟企業管理有限公司) ("**Huatan Enterprise**") as its general partner with 0.05% partnership interest. Huatan Enterprise is a limited liability company established in the PRC which is principally engaged in enterprise management consulting and financial consulting, and is controlled by Ms. Yang Yanhua (楊豔華). Hualin Equity Investment has six limited partners, being Ms. Yang Yanhua (楊豔華) holding 66.95% of its partnership interests, Mr. Wang Bo (王博) holding 19% of its partnership interests, Mr. Zhou Gaojie (周高潔) holding 7% of its partnership interests, Mr. Ye Cheng (葉成) holding 4% of its partnership interests, Mr. Wang Anqi (王安琦) holding 2% of its partnership interests, and Shanghai Guosheng Group Assets Co., Ltd. (上海國盛集團資產有限公司) ("**Shanghai Guosheng**") holding 1% of its partnership interests. To the best information and knowledge of our Directors, Shanghai Guosheng is a limited liability company established in the PRC which is principally engaged in investments in the fields of, among others, real estate and related industries and urban infrastructure, and is

wholly owned by the Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會); and (iii) 30% by Shanghai Yirui Enterprise Management Partnership (Limited Partnership) (上海伊銳企業管理合夥企業(有限合夥)), which is in turn owned as to 51.00% by Mr. Zhu Nongfei (朱農飛) and 49% by Ms. Wang Anqi (王安琦).

Donghao Lansheng has four limited partners. To the best knowledge and information of our Directors, the details and background of the limited partners of Donghao Lansheng are as follows:

Name of limited partner	**Percentage of partnership interests in Donghao Lansheng**	**Place of establishment**	**Principal business**
Shanghai Donghao Lansheng Investment Management Co., Ltd. (上海東浩蘭生投資管理有限公司) ("**Donghao Lansheng Investment Management**") *(Note i)*	49.51%	PRC	Investment management, investment consultancy, asset management and industrial investment
Guotai Junan Zhengyu Investment Co., Ltd. (國泰君安證裕投資有限公司) ("**Guotai Junan Zhengyu**") *(Note ii)*	16.50%	PRC	Equity investment and financial product investment
Shanghai Zhangjiang Technology Venture Capital Co., Ltd. (上海張江科技創業投資有限公司) ("**Shanghai Zhangjiang Technology**") *(Note iii)*	16.50%	PRC	Including, among others, venture capital investments in the fields of biomedicine, information technology, new energy and cultural creativity

Name of limited partner	Percentage of partnership interests in Donghao Lansheng	Place of establishment	Principal business
Shangnai Suhewan (Group) Co., Ltd. (上海蘇河灣(集團)有限公司) ("**Shangnai Suhewan (Group)**") *(Note iv)*	16.50%	PRC	Including, among others, industrial investment and real estate investment

Notes:

i. Donghao Lansheng Investment Management is ultimately wholly-owned by the Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會).

ii. Guotai Junan Zhengyu is wholly-owned by Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司), a company whose H shares are listed on the Stock Exchange (stock code: 2611) and the A Shares are listed on the Shanghai Stock Exchange (stock code: 601211). To the best knowledge and information of our Directors, Shanghai State-owned Assets Management Co., Ltd. (上海國有資產經營有限公司) is the largest shareholder of Guotai Junan Securities Co., Ltd. and is ultimately wholly-owned by the Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會).

iii. Shanghai Zhangjiang Technology is ultimately wholly-owned by Shanghai Pudong New Area State-owned Assets Management Commission (上海市浦東新區國有資產管理委員會).

iv. Shanghai Suhewan (Group) is wholly-owned by Shanghai Jingan District State-owned Assets Supervision and Administration Commission (上海市靜安區國有資產監督管理委員會).

To the best knowledge and information of our Directors, save that (i) Donghao Lansheng Investment Management and the largest shareholder of Guotai Junan Zhengyu are controlled by Shanghai State-owned Assets Supervision and Administration Commission (上海市國有資產監督管理委員會); (ii) Shanghai Zhangjiang Technology is wholly-owned by Shanghai Pudong New Area State-owned Assets Management Commission (上海市浦東新區國有資產管理委員會); and (iii) Shangnai Suhewan (Group) is wholly-owned by Shanghai Jingan District State-owned Assets Supervision and Administration Commission (上海市靜安區國有資產監督管理委員會), the limited partners of Donghao Lansheng are independent from each other.

11. **Bodao Dinghua**: Bodao Dinghua is a private equity fund established in the PRC with investment focus in the emerging industries. It is managed by Chenguan Dinghua (Hainan) Private Equity Fund Management Co., Ltd. (晨闗鼎華(海南)私募基金管理有限公司) ("**Chenguan Dinghua**") as its general partner and fund manager with 0.1% of partnership interest in Bodao Dinghua. Chenguan Dinghua is a limited liability company established in the PRC and a registered private fund manager which is ultimately wholly-owned by Zhongguan Fitness Asset Management Co., Ltd. (中關健體資產管理有限公司) (a state-controlled enterprise). Bodao Dinghua has a sole limited partner, Yibin Xuzhou Productive Industry Investment Co., Ltd (宜賓市敘州區創益產業投資有限公司) ("**Yibin Chuangyi**"), with 99.9% of partnership interest in Bodao Dinghua. Yibin Chuangyi is wholly-owned by the Yibin Xuzhou District State-owned Assets Supervision and Administration Bureau (宜賓市敘州區國有資產監督管理局).

12. **Chengdu Technology Innovation Investment**: Chengdu Technology Innovation Investment is a limited liability company established in the PRC with investment focus in core technology projects and innovation technology, covering industries including electronic information, biomedical, new material, new energy and aerospace. Chengdu Technology Innovation Investment has a total of ten shareholders, among which six of the shareholders, holding 85.6% of the equity interests of Chengdu Technology Innovation Investment, were ultimately controlled by Chengdu State-owned Assets Supervision and Administration Commission (成都市國有資產監督管理委員會).

13. **Tongchuang Zhixing**: Tongchuang Zhixing is a limited partnership established in the PRC, and is a follow-up investment platform for employees of Chengdu Technology Innovation Investment. Tongchuang Zhixing is managed by Ms. Li Wenjia (李文佳) as its general partner with approximately 29.41% of partnership interest in Tongchuang Zhixing. Tongchuang Zhixing has three limited partners who are individuals, holding approximately 29.41%, 23.53% and 17.65% of the partnership interest in Tongchuang Zhixing, respectively. To the best information and knowledge of our Directors, save that the said three individual limited partners are all employees of Chengdu Technology Innovation Investment, they are independent from each other.

14. **Yuanzhi Xingjian**: Yuanzhi Xingjian is a limited partnership established in the PRC, and is managed by Mr. Chen Xuanjun (陳宣君) as its general partner with approximately 8.33% of partnership interest in Yuanzhi Xingjian. Yuanzhi Xingjian has five limited partners, being Yuanzhi Tongchuang (Beijing) Information Technology Co., Ltd. (遠致同創(北京)信息科技有限公司) ("**Yuanzhi Tongchuang**"), Mr. Ren Guangfeng (任廣峰), Mr. Xie Zhiren (謝志仁), Mr. Wang Dajun (王大軍) and Mr. Li Jianwei (李建偉), holding approximately 33.33%, 33.33%, 8.33%, 8.33% and 8.33% of the partnership interests in Yuanzhi Xingjian, respectively. Yuanzhi Tongchuang is controlled by Mr. Wang Dajun. Yuanzhi Xingjian principally engages in information technology services. To the best

knowledge and information of our Directors, save that Mr. Wang Dajun (王大軍) (a limited partner of Yuanzhi Xingjian) controls Yuanzhi Tongchuang (another limited partner of Yuanzhi Xingjian), the limited partners of Yuanzhi Xingjiang are independent from each other.

15. **Jinxuntong Software Technology**: Jinxuntong Software Technology is a limited liability company established in the PRC, principally engaged in the development and application of software technology. It is held as to 95% by Mr. Han Zhaoning (韓召寧) and 5% by Mr. Shen Xiaobei (沈孝北).

16. **Ms. Pan Qi (潘琪)**: Ms. Pan is an individual investor and she is currently an employee of the Beijing branch of Yuanya Information. Ms. Pan has fifteen years of experience in the consulting industry. Ms. Pan invested in our Company as she is optimistic about the prospects of our Company.

17. **Ms. Song Qimin (宋琦敏)**: Ms. Song is an individual investor. She was introduced to our Group through one of the Pre-IPO Investors. To the best knowledge and information of our Directors, Ms. Song decided to invest in our Company due to her confidence to the prospect and growth potential of our Company.

18. **Zhuyi Enterprise Management**: Zhuyi Enterprise Management is a limited partnership established in the PRC with investment focus in the intelligent technology industry. It is managed by Shanghai Yujun Industrial Group Co., Ltd. (上海昱君實業集團有限公司) as its general partner with 1% of partnership interest in Zhuyi Enterprise Management. Zhuyi Enterprise Management has six limited partners, Ms. Xiao Yujun (肖昱君), Ms. Xu Oulian (徐藕蓮), Mr.Yang Zhenji (楊振基), Ms. Ni Jian (倪儉), Mr. Bu Fan (卜凡) and Mr. Weng Qingfeng (翁慶豐), holding 29.00%, 20.00%, 20.00%, 10.00%, 10.00% and 10.00% of the partnership interests in Zhuyi Enterprise Management, respectively. Shanghai Yujun Industry Group Co., Ltd. is a limited liability company established in the PRC, and is held as to 70% by Mr. Xiao Chongan (肖崇安) and 30% by Ms. Dong Aili (董愛麗). To the best knowledge and information of our Directors, the limited partners of Zhuyi Enterprise Management are independent from each other.

19. **Jiaxing Chengshun Phase II**: Jiaxing Chengshun Phase II is a limited partnership established in the PRC with investment focus in the equity investment and industrial investment. It is managed by Chengmeng (Shanghai) Equity Investment Fund Management Co., Ltd. (誠盟(上海)股權投資基金管理有限公司) ("**Chengmeng (Shanghai)**") as its general partner with approximately 0.09% of partnership interest in Jiaxing Chengshun Phase II. Chengmeng (Shanghai) is a registered private fund manager under the relevant PRC Laws which is ultimately controlled by Mr. Fan Jue (樊珏), who holds 70% of equity interests in Chengmeng (Shanghai). Jiaxing Chengshun Phase II has three limited partners, being Mianyang Xintou Dinghua Equity Investment Partnership (Limited Partnership) (綿陽新投鼎華股權投資合夥企業(有限合夥)), Jiangfan Technology and Shanghai Qiuteng Asset Management

Co., Ltd. (上海秋騰資產管理有限公司), holding approximately 49.95%, 29.97% and 19.98% of the partnership interests in Jiaxing Chengshun Phase II, respectively. Mianyang Xintou Dinghua Equity Investment Partnership (Limited Partnership) is held as to (i) 99.90% by Mianyang Sci-Tech City New Area Investment Holding (Group) Co., Ltd. (綿陽科技城新區投資控股(集團)有限公司), which is controlled by Mianyang Sci-Tech City New Area Management Committee (綿陽科技城新區管理委員會); and (ii) 0.10% by Chenguan Dinghua. To the best knowledge and information of our Directors, the limited partners of Jiaxing Chengshun Phase II are independent from each other.

20. **Zhejiang Jiuli Investment**: Zhejiang Jiuli Investment is a limited liability company established in the PRC with investment focus in new materials, new energy, intelligent manufacturing and information technology. It is wholly owned by Zhejiang Jiuli Hi-tech Metals Co., Ltd. (浙江久立特材科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, stock code: 002318).

21. **Neijiang High-tech Investment**: Neijiang High-tech Investment is a limited liability company established in the PRC. Neijiang High-tech Investment principally engages in industrial investment, financial services and technology incubation, and has an investment focus in electronic information technology, intelligent manufacturing, software information, digital economy and new materials, etc. It is wholly owned by Neijiang High-tech Industry Development Zone Management Committee (四川內江高新技術產業開發區管理委員會).

22. **Mr. Zhang Weihua (張偉華)**: Mr. Zhang is an individual investor is experienced in the technology and finance industries. Other than the investment in our Group, Mr. Zhang had also invested in an environmental company in the PRC which principally engaged in the building and restoration of aquatic environment and ecology.

23. **Mr. Chen Xuanjun (陳宣君)**: Mr. Chen is the general partner of Yuanzhi Xingjian, one of the Series C Investors (For details of Yuanzhi Xingjian, see "14. Yuanzhi Xingjian" above). Mr. Chen is experienced in the information technology service industries. In addition to the investment in our Company, Mr. Chen had also invested in two limited partnerships which engaged in the information technology service industry.

To the best knowledge and information of our Directors, the Pre-IPO Investors decided to invest in our Company due to their confidence in our prospect and growth potential. Save as disclosed above and to the best knowledge of our Directors, our Pre-IPO Investors and their ultimate beneficial owners are Independent Third Parties.

Compliance with Pre-IPO Investment Guidance

The Sole Sponsor confirms that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange, on the basis that (i) the Listing will take place more than 120 clear days after the completion of the Pre-IPO Investments, and (ii) no Special Rights will survive the Listing.

SHAREHOLDING STRUCTURE OF OUR COMPANY

The Company has applied for the Conversion of Unlisted Shares into H Shares, which involves 8,625,913 Shares held by 30 Shareholders. The table below is a summary of the shareholding structure of our Company as of the Latest Practicable Date and following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming the Over-allotment Option is not exercised):

	As at the Latest Practicable Date		Immediately following the completion of the Global Offering and Conversion of the Unlisted Shares into H Shares (Assuming the Over-allotment Option is not exercised)					
	Unlisted Shares		H Shares		Unlisted Shares		Total Shares	
Shareholder	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of Shareholding in the H Shares	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of shareholding in the total issued Shares
Shareholdings holding Unlisted Shares upon Listing								
(i) Core Connected Person								
Voicecomm Rongzhi *(Notes 1, 6 & 12)*	5,093,558	16.40%	–	–	5,093,558	22.71%	5,093,558	14.38%
Mr. Tang *(Notes 1, 6 & 12)*	3,498,000	11.26%	–	–	3,498,000	15.59%	3,498,000	9.87%
Mr. Sun *(Notes 4, 6 & 12)*	1,800,000	5.80%	–	–	1,800,000	8.02%	1,800,000	5.08%
Jiageng Culture *(Notes 4, 6 & 12)*	540,000	1.74%	–	–	540,000	2.41%	540,000	1.52%
Jiaxing Chengshun Phase II *(Notes 12 & 14)*	1,538,462	4.95%	–	–	1,538,462	6.86%	1,538,462	4.34%
Gongqingcheng Huanping *(Notes 12 & 14)*	745,000	2.40%	–	–	745,000	3.32%	745,000	2.10%
Chengdu Technology Innovation Investment *(Notes 12 & 14)*	603,000	1.94%	–	–	603,000	2.69%	603,000	1.70%

	As at the Latest Practicable Date Unlisted Shares		Immediately following the completion of the Global Offering and Conversion of the Unlisted Shares into H Shares (Assuming the Over-allotment Option is not exercised)					
			H Shares		Unlisted Shares		Total Shares	
Shareholder	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of Shareholding in the H Shares	Number of Shares	Percentage of Shareholding in the Unlisted Shares	Number of Shares	Percentage of shareholding in the total issued Shares
Zibo Bokai *(Notes 12 & 15)*	500,000	1.61%	–	–	500,000	2.23%	500,000	1.41%
Neijiang High-tech Investment *(Notes 12 & 14)*	461,538	1.49%	–	–	461,538	2.06%	461,538	1.30%
Subtotal	14,779,558	47.59%	–	–	14,779,558	65.88%	14,779,558	41.72%
(ii) Other Shareholders								
Xinzhuang Industrial Park *(Note 12)*	660,000	2.12%	–	–	660,000	2.94%	660,000	1.86%
Donghao Lansheng *(Note 12)*	500,000	1.61%	–	–	500,000	2.23%	500,000	1.41%
Ms. Xu Ping (許萍) *(Note 12)*	60,000	0.19%	–	–	60,000	0.27%	60,000	0.17%
Shanghai Hengxi Private Equity Fund Management Co., Ltd. (上海恒翕私募基金管理有限公司) ("**Shanghai Hengxi**") *(Notes 11 & 12)*	50,000	0.16%	–	–	50,000	0.22%	50,000	0.14%
Ms. Pan Qi (潘琪) *(Note 12)*	30,000	0.10%	–	–	30,000	0.13%	30,000	0.08%
Tongchuang Zhixing *(Note 12)*	22,000	0.07%	–	–	22,000	0.10%	22,000	0.06%
Jiangsu Xinzhi *(Note 12)*	20,000	0.06%	–	–	20,000	0.09%	20,000	0.06%
Mr. Feng Jian (馮健) *(Notes 8 & 12)*	20,000	0.06%	–	–	20,000	0.09%	20,000	0.06%
Subtotal	1,362,000	4.39%	–	–	1,362,000	6.07%	1,362,000	3.84%
(A) Total	16,141,558	51.97%	–	–	16,141,558	71.95%	16,141,558	45.57%

Shareholder	As at the Latest Practicable Date Unlisted Shares Number of Shares	Percentage of Shareholding in the Unlisted Shares	Immediately following the completion of the Global Offering and Conversion of the Unlisted Shares into H Shares (Assuming the Over-allotment Option is not exercised) H Shares Number of Shares	Percentage of Shareholding in the H Shares	Unlisted Shares Number of Shares	Percentage of Shareholding in the Unlisted Shares	Total Shares Number of Shares	Percentage of shareholding in the total issued Shares
Shareholdings holding Unlisted and/or H Shares upon Listing								
(i) Core Connected Person								
Yingke Jiyun *(Notes 2 & 15)*	2,400,000	7.73%	1,200,000	9.24%	1,200,000	5.35%	2,400,000	6.77%
Qingdao Yingke *(Notes 2 & 15)*	1,250,000	4.02%	625,000	4.81%	625,000	2.79%	1,250,000	3.53%
Cuiwen Network	510,000	1.64%	400,000	3.08%	110,000	0.49%	510,000	1.44%
Jinxuntong Software Technology	277,692	0.89%	138,846	1.07%	138,846	0.62%	277,692	0.78%
Jiangfan Technology *(Notes 5 & 6)*	240,000	0.77%	72,000	0.55%	168,000	0.75%	240,000	0.68%
Bodao Dinghua *(Note 14)*	750,000	2.41%	250,000	1.92%	500,000	2.23%	750,000	2.12%
Huazi Shengtong *(Note 15)*	500,000	1.61%	500,000	3.85%	–	–	500,000	1.41%
Subtotal	5,927,692	19.09%	3,185,846	24.52%	2,741,846	12.22%	5,927,692	16.73%
(ii) Other Shareholders								
Chenqi Information	2,327,000	7.49%	1,500,000 *(Note 13)*	11.55%	827,000	3.69%	2,327,000	6.57%
Jiaxing Shangyu	1,800,000	5.80%	1,300,000 *(Note 13)*	10.01%	500,000	2.23%	1,800,000	5.08%
Mr. Qin *(Note 9)*	1,000,000	3.22%	200,000 *(Note 13)*	1.54%	800,000	3.57%	1,000,000	2.82%
Gongqingcheng Softbank	600,000	1.93%	150,000 *(Note 13)*	1.15%	450,000	2.01%	600,000	1.69%
Jiaxing Laida *(Note 3)*	500,000	1.61%	500,000 *(Note 13)*	3.85%	–	–	500,000	1.41%
Mr. Zhang Zhuo (張卓)	500,000	1.61%	250,000 *(Note 13)*	1.92%	250,000	1.11%	500,000	1.41%
Zhejiang Jiuli Investment	461,538	1.49%	153,846 *(Note 13)*	1.18%	307,692	1.37%	461,538	1.30%
Mr. Yang Leizhe (楊蕾喆)	300,000	0.97%	250,000 *(Note 13)*	1.92%	50,000	0.22%	300,000	0.85%
Jingjin Investment	250,000	0.80%	125,000 *(Note 13)*	0.96%	125,000	0.56%	250,000	0.71%
Mr. Luo Jun (駱軍)	200,000	0.64%	200,000 *(Note 13)*	1.54%	–	–	200,000	0.56%

Shareholder	As at the Latest Practicable Date Unlisted Shares Number of Shares	Percentage of Shareholding in the Unlisted Shares	Immediately following the completion of the Global Offering and Conversion of the Unlisted Shares into H Shares (Assuming the Over-allotment Option is not exercised) H Shares Number of Shares	Percentage of Shareholding in the H Shares	Unlisted Shares Number of Shares	Percentage of Shareholding in the Unlisted Shares	Total Shares Number of Shares	Percentage of shareholding in the total issued Shares
Yuanzhi Xingjian *(Note 7)*	141,442	0.46%	70,721 *(Note 13)*	0.54%	70,721	0.32%	141,442	0.40%
Mr. Lu Liguang (盧澧光)	125,000	0.40%	62,500 *(Note 13)*	0.48%	62,500	0.28%	125,000	0.35%
Ms. Pan Peihong (潘培紅)	125,000	0.40%	125,000 *(Note 13)*	0.96%	–	–	125,000	0.35%
Ms. Du Yingdong (杜英東)	100,000	0.32%	100,000 *(Note 13)*	0.77%	–	–	100,000	0.28%
Mr. Bian Yulong (卞玉龍)	100,000	0.32%	100,000 *(Note 13)*	0.77%	–	–	100,000	0.28%
Shanghai Jiayuan Intelligent Technology Co., Ltd. (上海嘉沅智能科技有限公司)	100,000	0.32%	100,000 *(Note 13)*	0.77%	–	–	100,000	0.28%
Shanghai Juntuo *(Note 8)*	100,000	0.32%	100,000 *(Note 13)*	0.77%	–	–	100,000	0.28%
Mr. Yan Zhiqiang (嚴志強)	80,000	0.26%	40,000 *(Note 13)*	0.31%	40,000	0.18%	80,000	0.23%
Mr. Ding Yi (丁毅)	50,000	0.16%	25,000 *(Note 13)*	0.19%	25,000	0.11%	50,000	0.14%
Ms. Song Qimin (宋琦敏)	50,000	0.16%	50,000 *(Note 13)*	0.38%	–	–	50,000	0.14%
Zhuyi Enterprise Management	50,000	0.16%	25,000 *(Note 13)*	0.19%	25,000	0.11%	50,000	0.14%
Mr. Zhang Weihua (張偉華)	20,000	0.06%	8,000 *(Note 13)*	0.06%	12,000	0.05%	20,000	0.06%
Mr. Chen Xuanjun (陳宣君) *(Note 7)*	10,000	0.03%	5,000 *(Note 13)*	0.04%	5,000	0.02%	10,000	0.03%
Subtotal	8,989,980	28.94%	5,440,067	41.87%	3,549,913	15.82%	8,989,980	25.38%
(B) Total	14,917,672	48.03%	8,625,913	66.40%	6,291,759	28.05%	14,917,672	42.11%
(C) Investors involved in the Global Offering (H Shares)	–	–	4,365,660	33.60%	–	–	4,365,660	12.32%
(A)+(B)+(C)	31,059,230	100%	12,991,573	100%	22,433,317	100%	35,424,890	100%

Notes:

1. Voicecomm Rongzhi was a company established in the PRC which was owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang is deemed to be interested in the Shares held by Voicecomm Rongzhi.

2. Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation as their general partner, and they together held approximately 11.75% of the total issued share capital of our Company as at the Latest Practicable Date.

3. Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager, and they together held approximately 7.41% of the total issued share capital of our Company as at the Latest Practicable Date.

4. Jiageng Culture is a company established in the PRC which was wholly-owned by Mr. Sun. As a result, Mr. Sun was deemed to be interested in the Share held by Jiageng Culture.

5. Jiangfan Technology is a company established in the PRC which was wholly-owned by Jiangcheng Asset Management, and which was in turn held as to 60.0% by Mr. Yang, our non-executive Director and 40.0% by Mr. Jiang Haisheng (姜海生).

6. Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "Concert Party Arrangement" in this section above.

7. Mr. Chen Xuanjun (陳宣君) is the general partner of Yuanzhi Xingjian. Mr. Chen Xuanjun (陳宣君) and Yuanzhi Xingjian together were interested in an aggregate of approximately 0.49% of the total issued share capital of our Company at the time.

8. Shanghai Juntuo is wholly owned by Mr. Feng Jian. As a result, Mr. Feng Jian was interested in an aggregate of approximately 0.38% of the issued shares of our Company at the time.

9. Mr. Qin was formerly our Director between July 2017 and November 2020. He was nominated by Mr. Tang into the Board to primarily serve as his representative in the Board after Mr. Tang resigned from his directorship in our Company in June 2017 (for details, please refer to Mr. Tang's biography in "Directors, Supervisors and Senior Management – Executive Directors" in this prospectus). In connection to the above, in anticipation of Mr. Tang's re-appointment as our Director in December 2020, Mr. Qin resigned from his directorship in November 2020.

10. The aggregate of the percentage figures in the above table may not add up to the total due to rounding of the percentage figures to two decimal places.

11. Shanghai Hengxi is formerly known as Shandong Xizhan.

12. These Shareholders have decided not to convert all or part of Unlisted Shares held by them to H Shares upon Listing.

13. These H Shares will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules immediately following the completion of the Global Offering and Conversion of the Unlisted Shares into H Shares. For details, please refer to the paragraph headed "Public Float" in this section below.

14. The relevant Shareholder is ultimately under the supervision and management of the Sichuan Provincial People's Government. For details, please see the paragraph headed "Public Float" below in this section.

15. The relevant Shareholder is ultimately under the supervision and management of the Shandong Provincial People's Government. For details, please see the paragraph headed "Public Float" below in this section.

PUBLIC FLOAT

The 4,911,913 Unlisted Shares held by our Shareholders (other than those held by Voicecomm Rongzhi, Mr. Tang, Mr. Sun, Jiageng Culture, Jiangfan Technology, Cuiwen Network, Jinxuntong Software Technology, SD Control Entities and SC Control Entities (as defined below)), representing approximately 15.81% of our total issued Shares as of the Latest Practicable Date, or approximately 13.87% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), or approximately 13.61% of our total issued Shares upon exercise of the Over-allotment Option in full, will not be considered as part of the public float as the Shares they hold are Unlisted Shares which will not be converted into H Shares and listed following the completion of the Global Offering.

The 5,440,067 Unlisted Shares held by Chenqi Information, Jiaxing Shangyu, Mr. Qin, Gongqingcheng Softbank, Jiaxing Laida, Mr. Zhang Zhuo (張卓), Zhejiang Jiuli Investment, Mr. Yang Leizhe (楊蕾喆), Jingjin Investment, Mr. Luo Jun (駱軍), Yuanzhi Xingjian, Mr. Lu Liguang (盧禮光), Ms. Pan Peihong (潘培紅), Ms. Du Yingdong (杜英東), Mr. Bian Yulong (卞玉龍), Shanghai Jiayuan Intelligent Technology Co., Ltd. (上海嘉沅智能科技有限公司), Shanghai Juntuo, Mr. Yan Zhiqiang (嚴志強), Mr. Ding Yi (丁毅), Ms. Song Qimin (宋琦敏), Zhuyi Enterprise Management, Mr. Zhang Weihua (張偉華) and Mr. Chen Xuanjun (陳宣君), representing approximately 17.52% of our total issued Shares as at the Latest Practicable Date, or approximately 15.36% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), or approximately 15.08% of our total issued Shares upon exercise of the Over-allotment Option in full, will be converted into H Shares and listed following the completion of the Global Offering. As these entities will not be core connected person of our Company upon Listing, are not accustomed to take instructions from core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by core connected persons, the H Shares held by them will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing.

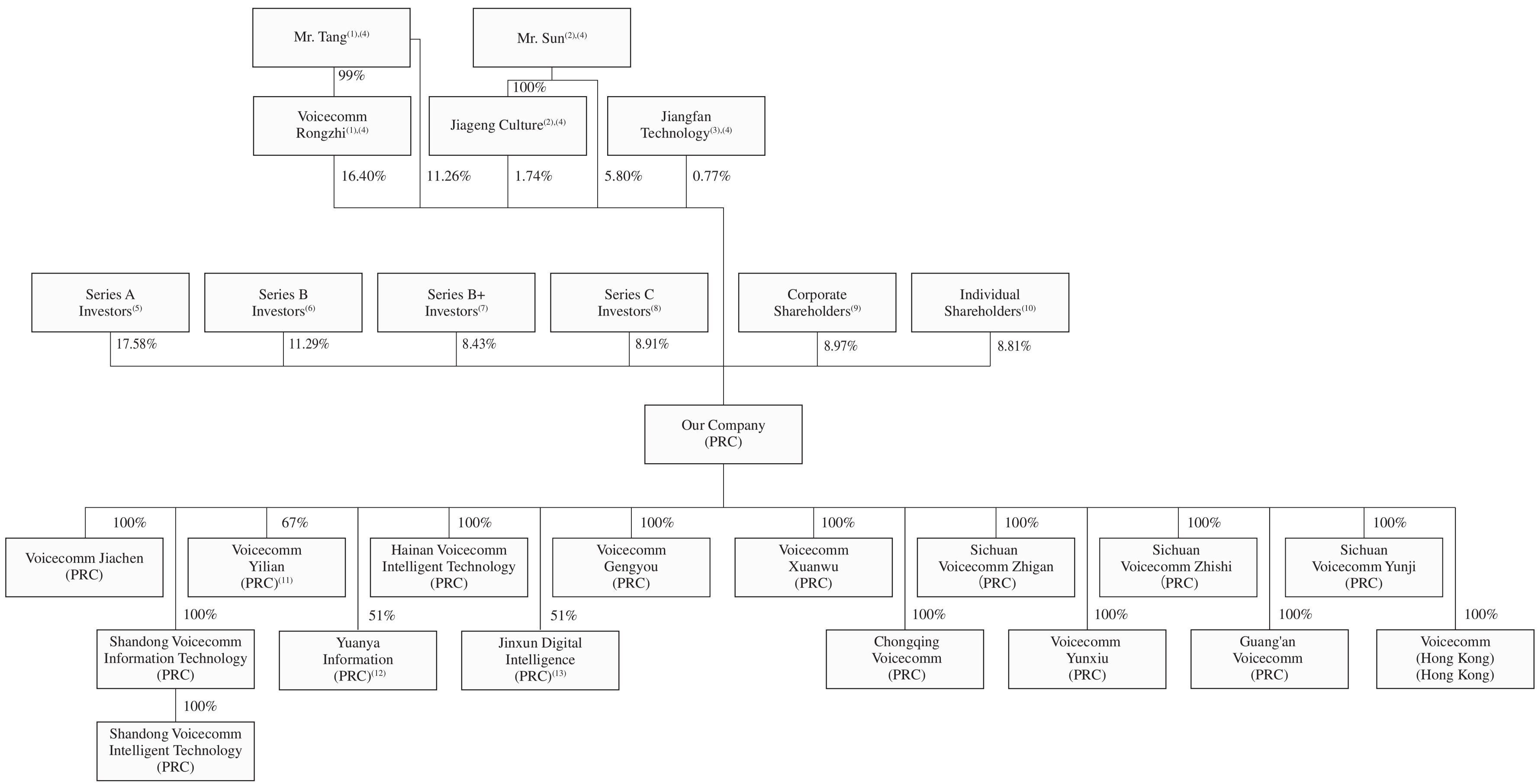
Voicecomm Rongzhi, Mr. Tang, Mr. Sun, Jiageng Culture, and Jiangfan Technology are part of the group of controlling shareholders of our Company as at the Latest Practicable Date, and will remain as our group of Controlling Shareholders upon Listing. Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation, which is a substantial shareholder of our Company. Further, more than 30% of the equity interests of Yingke Jiyun, Qingdao Yingke, Huazi Shengtong and Zibo Bokai ("**SD Control Entities**") are ultimately under the supervision and management of the Shandong Provincial People's Government, and SD Control Entities collectively will hold more than 10% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised). Also more than 30% of the equity interests of Bodao Dinghua, Chengdu Technology Innovation Investment, Jiaxing Chengshun Phase II, Neijiang High-tech Investment and Gongqingchen Huanping ("**SC Control Entities**") are ultimately under the supervision and management of Sichuan Provincial People's Government, and SC Control Entities collectively will hold more than 10% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised). Cuiwen Network and Jinxuntong Software Technology are respectively the substantial shareholder of Yuanya Information and

Jinxun Digital Intelligence. As a result, the 20,707,250 Unlisted Shares (out of which 3,185,846 Shares will be converted into H Shares and listed following the completion of the Global Offering, and 17,521,404 Shares will not be converted into H Shares), representing approximately 66.67% of our total issued Shares as of the Latest Practicable Date, or approximately 58.45% of our total issued Shares upon Listing (assuming the Over-allotment Option is not exercised), or approximately 57.39% of our total issued Shares upon exercise of the Over-allotment Option in full, controlled by Voicecomm Rongzhi, Mr. Tang, Mr. Sun, Jiageng Culture, Jiangfan Technology, Cuiwen Network, Jinxuntong Software Technology, SD Control Entities and SC Control Entities will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rule after Listing.

Immediately upon completion of the Global Offering, assuming that (i) 4,365,660 H Shares are issued and sold in the Global Offering; (ii) the Over-allotment Option is not exercised; (iii) 35,424,890 Shares are issued upon completion of the Global Offering; (iv) the Conversion of the Unlisted Shares into H Shares is completed, the total number of listed H Shares held by the public represents approximately 27.68% of our total issued Shares upon Listing. Therefore, our Company will be able to meet the minimum public float requirement under Rule 8.08 of the Listing Rules.

OUR STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

The following chart sets forth our Group's corporate structure immediately prior to the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares.(0)



Notes:

0. The aggregate of the percentage figures of shareholding interests in our Company in the chart may not add up to 100% due to rounding of the percentage figures to two decimal places.

1. Voicecomm Rongzhi (formerly known as Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司) is a company established in the PRC which was owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang was interested in an aggregate of approximately 27.66% of the issued shares of our Company at the time.

2. Jiageng Culture is a company established in the PRC which was wholly-owned by Mr. Sun. As a result, Mr. Sun was interested in an aggregate of approximately 7.54% of the issued shares of our Company at the time.

3. Jiangfan Technology is a company established in the PRC which was wholly-owned by Jiangcheng Asset Management, and which was in turn held as to 60.0% by Mr. Yang, our non-executive Director, and 40.0% by Mr. Jiang Haisheng (姜海生).

4. Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, operation and business development related matters of the Company which are subject to approval in general meetings or board meetings of the Company since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company. For details, see "Concert Party Arrangement" in this section above.

5. Series A Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately prior to the completion of the Global Offering:

Name of Series A Investors	Percentage of shareholding interests in our Company
Yingke Jiyun*	7.73%
Jiaxing Shangyu#	5.80%
Xinzhuang Industrial Park	2.12%
Gongqingcheng Softbank	1.93%
Total	**17.58%**

* Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation as their general partner.

\# Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager.

6. Series B Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately prior to the completion of the Global Offering:

Name of Series B Investors	Percentage of shareholding interests in our Company
Qingdao Yingke*	4.02%
Cuiwen Network	1.64%
Jiaxing Laida#	1.61%
Zibo Bokai	1.61%
Huazi Shengtong	1.61%
Jingjin Investment	0.80%
Total	**11.29%**

* Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation as their general partner.

\# Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager.

7. Series B+ Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately prior to the completion of the Global Offering:

Name of Series B+ Investors	**Percentage of shareholding interests in our Company**
Bodao Dinghua	2.41%
Gongqingcheng Huanping	2.40%
Chengdu Technology Innovation Investment	1.94%
Donghao Lansheng	1.61%
Tongchuang Zhixing	0.07%
Total	**8.43%**

8. Series C Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately prior to the completion of the Global Offering:

Name of Series C Investors	**Percentage of shareholding interests in our Company**
Jiaxing Chengshun Phase II	4.95%
Zhejiang Jiuli Investment	1.49%
Neijiang High-tech Investment	1.49%
Jinxuntong Software Technology	0.89%
Mr. Zhang Weihua (張偉華)	0.06%
Mr. Chen Xuanjun (陳宣君)*	0.03%
Total	**8.91%**

* Mr. Chen Xuanjun (陳宣君) is the general partner of Yuanzhi Xingjian.

9. Corporate Shareholders refer to the following Shareholders, which respectively holds the following shareholding interests in our Company immediately prior to the completion of the Global Offering:

Name of Corporate Shareholders	**Percentage of shareholding interests in our Company**
Chenqi Information	7.49%
Yuanzhi Xingjian*	0.46%
Shanghai Jiayuan Intelligent Technology Co., Ltd. (上海嘉沅智能科技有限公司)	0.32%
Shanghai Juntuo#	0.32%
Shanghai Hengxi	0.16%
Zhuyi Enterprise Management	0.16%
Jiangsu Xinzhi	0.06%
Total	**8.97%**

* Mr. Chen Xuanjun (陳宣君) is the general partner of Yuanzhi Xingjian.

Shanghai Juntuo is wholly-owned by Mr. Feng Jian (馮健).

10. Individual Shareholders refer to the following Shareholders, which respectively holds the following shareholding interests in our Company immediately prior to the completion of the Global Offering:

Name of Individual Shareholders	Percentage of shareholding interests in our Company
Mr. Qin	3.22%
Mr. Zhang Zhuo (張卓)	1.61%
Mr. Yang Leizhe (楊蕾喆)	0.97%
Mr. Luo Jun (駱軍)	0.64%
Mr. Lu Liguang (盧禮光)	0.40%
Ms. Pan Peihong (潘培紅)	0.40%
Ms. Du Yingdong (杜英東)	0.32%
Mr. Bian Yulong (卞玉龍)	0.32%
Mr. Yan Zhiqiang (嚴志強)	0.26%
Ms. Xu Ping (許萍)	0.19%
Mr. Ding Yi (丁毅)	0.16%
Ms. Song Qimin (宋琦敏)	0.16%
Ms. Pan Qi (潘琪)	0.10%
Mr. Feng Jian (馮健)*	0.06%
Total	**8.81%**

* Shanghai Juntuo is wholly-owned by Mr. Feng Jian (馮健).

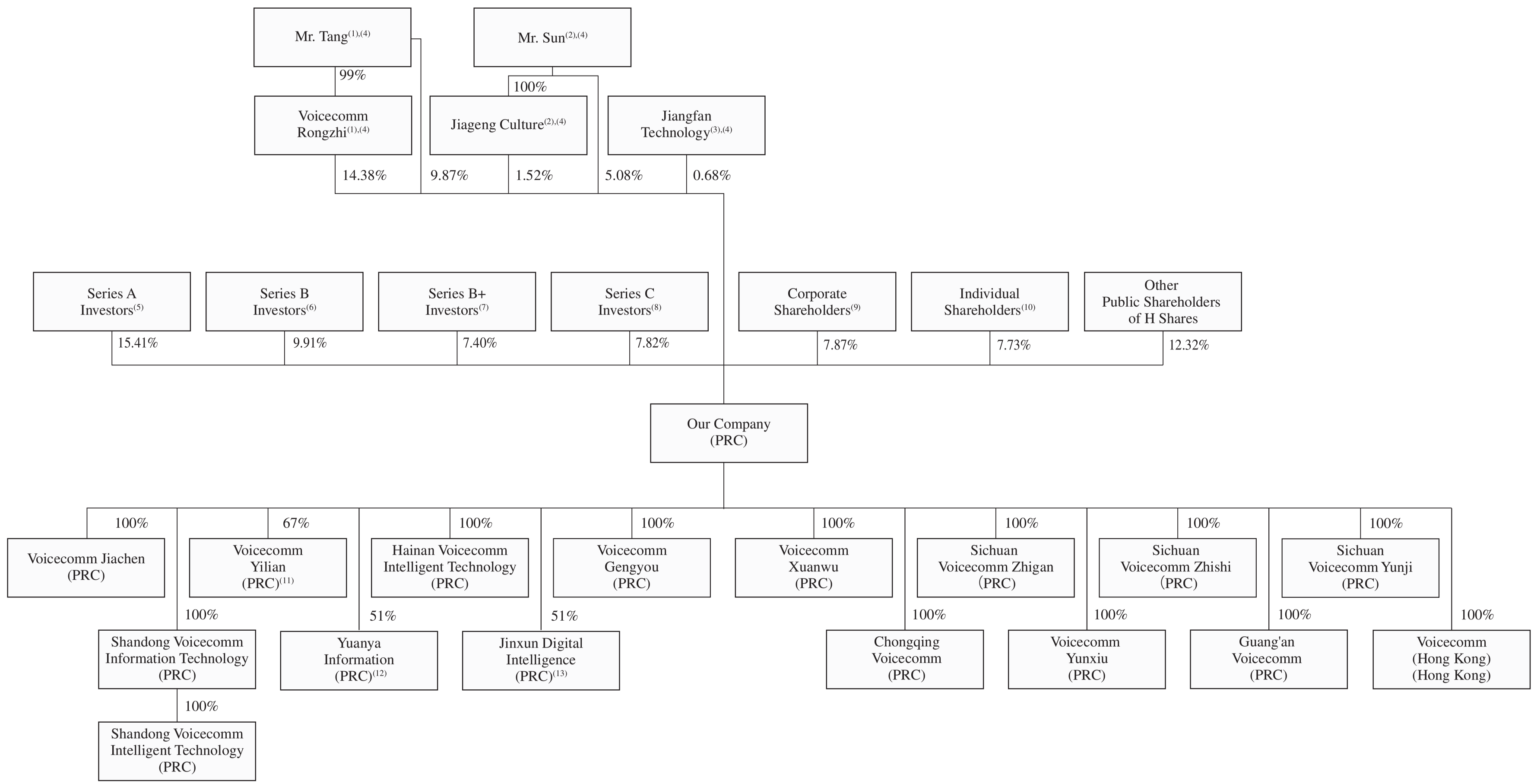
11. Voicecomm Yilian is a non-wholly owned subsidiary of our Company, which is held as to 67% by our Company and 33% by Shanghai Youjia Fire Engineering Testing Co., Ltd. (上海佑家消防工程檢測有限公司), which is an independent third party.

12. Yuanya Information is a non-wholly owned subsidiary of our Company, which is held as to 51% by our Company and 49% by Cuiwen Network. For details, see "Acquisitions during the Track Record Period – Yuanya Information" in this section above.

13. Jinxun Digital Intelligence is a non-wholly owned subsidiary of our Company, which is held as to 51% by our Company and 49% by Jinxuntong Software Technology. For details, see "Acquisitions during the Track Record Period – Jinxun Digital Intelligence" in this section above.

OUR STRUCTURE IMMEDIATELY FOLLOWING THE GLOBAL OFFERING

The following chart sets forth our Group's corporate structure immediately after the Global Offering and the Conversion of Unlisted Shares into H Shares (assuming no exercise of the Over-allotment Option).[(0)]



Notes:

0. The aggregate of the percentage figures of shareholding interests in our Company in the chart may not add up to 100% due to rounding of the percentage figures to two decimal places.

1. Voicecomm Rongzhi (formerly known as Shanghai Fengjing Information Consultation Co., Ltd. (上海蜂競信息諮詢有限公司) is a company established in the PRC which is owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang). As a result, Mr. Tang is interested in an aggregate of approximately 20.75% of the issued shares of our Company after the completion of the Global Offering.

2. Jiageng Culture is a company established in the PRC which is wholly-owned by Mr. Sun. As a result, Mr. Sun is interested in an aggregate of approximately 5.65 % of the issued shares of our Company after the completion of the Global Offering.

(3), (4) See the notes to "– Our Structure Immediately Prior to the Global Offering" in this section.

5. Series A Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately after the completion of the Global Offering:

Name of Series A Investors	**Percentage of shareholding interests in our Company**
Yingke Jiyun*	6.77%
Jiaxing Shangyu#	5.08%
Xinzhuang Industrial Park	1.86%
Gongqingcheng Softbank	1.69%
Total	**15.41%**

* Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation as their general partner.

Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager.

6. Series B Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately after the completion of the Global Offering:

Name of Series B Investors	**Percentage of shareholding interests in our Company**
Qingdao Yingke*	3.53%
Cuiwen Network	1.44%
Jiaxing Laida#	1.41%
Zibo Bokai	1.41%
Huazi Shengtong	1.41%
Jingjin Investment	0.71%
Total	**9.91%**

* Yingke Jiyun and Qingdao Yingke are both managed by Yingke Innovation as their general partner.

Jiaxing Shangyu and Jiaxing Laida are both managed by Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) as their respective general partner and fund manager.

7. Series B+ Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately after the completion of the Global Offering:

Name of Series B+ Investors	**Percentage of shareholding interests in our Company**
Bodao Dinghua	2.12%
Gongqingcheng Huanping	2.10%
Chengdu Technology Innovation Investment	1.70%
Donghao Lansheng	1.41%
Tongchuang Zhixing	0.06%
Total	**7.40%**

8. Series C Investors refer to the following Pre-IPO Investors, which respectively holds the following shareholding interests in our Company immediately after the completion of the Global Offering:

Name of Series C Investors	Percentage of shareholding interests in our Company
Jiaxing Chengshun Phase II	4.34%
Zhejiang Jiuli Investment	1.30%
Neijiang High-tech Investment	1.30%
Jinxuntong Software Technology	0.78%
Mr. Zhang Weihua (張偉華)	0.06%
Mr. Chen Xuanjun (陳宣君)*	0.03%
Total	**7.82%**

* Mr. Chen Xuanjun (陳宣君) is the general partner of Yuanzhi Xingjian.

9. Corporate Shareholders refer to the following Shareholders, which respectively holds the following shareholding interests in our Company immediately after the completion of the Global Offering:

Name of Corporate Shareholders	Percentage of shareholding interests in our Company
Chenqi Information	6.57%
Yuanzhi Xingjian*	0.40%
Shanghai Jiayuan Intelligent Technology Co., Ltd. (上海嘉沅智能科技有限公司)	0.28%
Shanghai Juntuo#	0.28%
Shanghai Hengxi	0.14%
Zhuyi Enterprise Management	0.14%
Jiangsu Xinzhi	0.06%
Total	**7.87%**

* Mr. Chen Xuanjun (陳宣君) is the general partner of Yuanzhi Xingjian.

Shanghai Juntuo is wholly-owned by Mr. Feng Jian (馮健).

10. Individual Shareholders refer to the following Shareholders, which respectively holds the following shareholding interests in our Company immediately after the completion of the Global Offering:

Name of Individual Shareholders	Percentage of shareholding interests in our Company
Mr. Qin	2.82%
Mr. Zhang Zhuo (張卓)	1.41%
Mr. Yang Leizhe (楊蕾喆)	0.85%
Mr. Luo Jun (駱軍)	0.56%
Mr. Lu Liguang (盧禮光)	0.35%
Ms. Pan Peihong (潘培紅)	0.35%
Ms. Du Yingdong (杜英東)	0.28%
Mr. Bian Yulong (卞玉龍)	0.28%
Mr. Yan Zhiqiang (嚴志強)	0.23%
Ms. Xu Ping (許萍)	0.17%
Mr. Ding Yi (丁毅)	0.14%
Ms. Song Qimin (宋琦敏)	0.14%
Ms. Pan Qi (潘琪)	0.08%
Mr. Feng Jian (馮健)*	0.06%
Total	**7.73%**

* Shanghai Juntuo is wholly-owned by Mr. Feng Jian (馮健).

(11), (12), (13) See the notes to "– Our Structure Immediately Prior to the Global Offering" in this section.

COMPANY OVERVIEW

Who We Are

We are an IT solution provider in China. Based upon our technologies, we provide services for enterprise-level users to improve the level of convenience and intelligence for their information exchanges and business interactions. Our solutions are built upon our technologies comprising core conversational AI technologies, unified communication technologies, and other AI and computer technologies. Our unified communication technologies, core conversational AI technologies and product engine technologies address enterprise-level user's demand of "communication", "thinking" and "execution", respectively, thus facilitating a complete enterprise-level conversational AI experience.

Our complete and extensively applicable "UC+AI" technological capabilities allow us to offer several typical types of solutions that can be used by various enterprise-level users in a number of prevalent interactive scenarios, primarily including contact service (as needed by various types of organizations to communicate with individuals, with corporation's customer services as an example), equipment control and scheduling, enterprise communication and management, as well as the operation of intelligent community and vehicle-to-everything autonomous driving. During the Track Record Period, we primarily offered solutions to four key end-customer industries where we had accumulated rich industry know-how, engineering experiences and customer insights, i.e., city management and administration, automotive and transportation, telecommunications, and finance. The footprints of our solutions have covered more than 100 cities and counties in China and five overseas countries.

Our solution offerings are enabled by Voicecomm Brain, our technology infrastructure, and Voicecomm Suites, our comprehensive functional modules. Voicecomm Brain is underpinned by our core technologies in both unified communications and AI, and is able to connect stably to enterprise-level users' various types of operating systems. On top of our robust Voicecomm Brain, we have developed a full set of Voicecomm Suites which comprehensively cover various steps of enterprise-level users' end-to-end information exchanges and business interactions. The modular combination of such highly standard, highly scalable and low-code Voicecomm Suites allows us to offer different types of solutions to address the pain points experienced by enterprise-level users.

Empowered by our comprehensive enterprise-level solution offerings and superior delivery capabilities, our revenue increased rapidly during the Track Record Period, during which time we also achieved continuously improving gross profit margin. The following table sets forth our total revenue, gross profit and gross profit margin in each year during the Track Record Period:

	Year Ended December 31,		
	2021	**2022**	**2023**
Revenue *(RMB'000)*	459,935	514,992	813,017
Gross profit *(RMB'000)*	152,162	201,466	325,417
Gross profit margin (%)	33.1%	39.1%	40.0%

Thanks to our robust technology infrastructure and standardized solution offerings, we are able to maintain stable profitability from our operations, with our adjusted net profit (a non-IFRS measure) amounting to RMB62.3 million, RMB71.7 million and RMB117.7 million in 2021, 2022 and 2023, respectively. Such growth was achieved despite our increasing research and development expenses, which amounted to RMB36.3 million, RMB64.0 million and RMB98.8 million in 2021, 2022 and 2023, respectively.

Market Opportunities

A new generation of information technologies including AI, cloud computing, big data and 5G have been rapidly developing and iterating, massively transforming the paradigm of enterprise-level information production, transmission and application. Accordingly, the commercialization of enterprise-level conversational AI is embracing its inflection point, ready to lay a crucial path for the improvement of communication efficiency, digitalization and intelligent transformation of enterprise-level users. According to the iResearch Report, the enterprise-level conversational AI solution market in China reached RMB62.1 billion in 2023, and is expected to reach RMB204.1 billion in 2028, at a CAGR of 26.9% from 2023 to 2028. However, the penetration rate of enterprise-level conversational AI solutions in China was merely 11.6% in 2023, as compared to 18.2% for the U.S. according to the same source. Currently, the penetration rate of enterprise-level conversational AI solutions in China still has huge growth potentials, which is estimated to increase to 16.2% in 2028.

China's enterprise-level conversational AI solution market is currently still experiencing a number of pain points, which makes it especially challenging for non-full-stack solution providers to fundamentally address the needs of enterprise-level users. Firstly, considering enterprise-level users' needs of conversational AI empowerment on a one-stop basis, each product under non-full-stack solutions is independently designed and developed by different providers, thus leading to a series of issues of compatibility, efficiency and maintenance, with data silos left unconnected. Also, notwithstanding that enterprise-level users often need the solutions to be highly scalable across various scenarios, non-full-stack solution providers may not be able to realize the uniform management of the resulting solutions, making it challenging to deliver a "ready-to-use-whenever-needed" user experience. Moreover, due to their lack of a conversational AI infrastructure, non-full-stack solutions offered by such providers are generally limited to the application layer, and they are hence unable to optimize the overall system according to the specific application scenarios. Further, while enterprise-level users ultimately choose the delivery based on various specific considerations, it is difficult for non-full-stack solution providers to deliver solutions flexibly to meet their rapidly iterative business needs. Last but not least, according to the iResearch Report, the total cost of ownership of procuring and integrating multiple non-full-stack solutions is about 15%-30% higher than full-stack solutions due to functional redundancy and lack of standardization, which also leads to uncertain return on investment.

In light of the above, it is expected that full-stack enterprise-level conversational AI solution providers that possess unified communication and essential AI algorithm capabilities with the ability to self-develop conversational AI applications will seize greater market opportunities by fully exercising their technological advantages. By continuously exploring into innovative application scenarios, we aim to solve the pain points of the industry and make efficient enterprise-level communications at fingertips.

Our Solution Offerings

Through years of iterative research and development, we have offered various enterprise-level solutions in a number of end-customer industries including city management and administration, automotive and transportation, telecommunications, finance, as well as education, healthcare, tourism, the media, E-commerce and retailing, etc., using Voicecomm Brain and Voicecomm Suites, as illustrated by the following diagram:

Our Solutions Applied in Various End-Customer Industries – Voicecomm Solutions

Leveraging Voicecomm Brain and Voicecomm Suites, we have offered various types of enterprise-level solutions proven to have effectively improved the level of convenience and intelligence with respect to enterprise-level users' information exchanges and business interactions. In particular, our solutions have been used by enterprise-level users from various end-customer industries, primarily including city management and administration, automotive and transportation, telecommunications, and finance. We have also established and are further expanding the presence of our solutions into other industries such as the media, healthcare, E-commerce and retailing, etc., that can be empowered by conversational AI.

- **City Management and Administration.** Our solutions have primarily been applied in intelligent community (comprehensive governmental projects involving diverse application scenarios), intelligent administration and intelligent IoT, where our technologies contribute to the establishment of smart cities where city infrastructure, public spaces and objects are interactively connected, and also make city management and administrative services more convenient and intelligent.

- **Automotive and Transportation.** Our solutions have primarily been applied in customer service for automobile and logistics companies, IoV service that enables a smart cockpit and facilitates the intelligent scheduling of vehicle resources and route navigation, as well as V2X autonomous driving, which helps realize a safe, convenient, intelligent and integrated automobile management and travel experience.

- **Telecommunications.** Our solutions can empower telecommunications companies' communication tools and other value-added services, such as cloud-based phone and intelligent work badge. Such solutions allow various communication and management needs of the enterprises that have procured such communication tools and value-added services to be intelligently satisfied, while substantially lowering deployment and maintenance costs.

- **Finance.** Our solutions offered to financial institutions have been applied primarily in telephone banking, thereby upgrading their customer services and promoting the comprehensive intelligent transformation of the finance industry. Additionally, we also offer solutions in service training that facilitate their internal processes.

Our Robust Technology Infrastructure – Voicecomm Brain

Voicecomm Brain, our technology infrastructure, is underpinned by our core technologies in both unified communications and AI. Voicecomm Brain is able to connect stably to enterprise-level users' various types of operating systems, realizing the intelligent transformation of their internal and external information exchanges and business interactions from "communication" to "thinking" and "execution". Voicecomm Brain affords enterprise-level users with the following key values:

- **Quality and Reliability.** Having cumulatively served hundreds of enterprise-level users for nearly two decades, we place great importance on the stability and reliability of our technologies and solutions, for which reason we have been able to win trust from the users of our solutions. Notably, Voicecomm Brain is able to achieve a time interval between failures of 50 thousand hours, seamless redundant switching of servers without user awareness, as well as an average multimodal information transmission success rate of 99.999%, which lead above the industry average in China according to the iResearch Report.

- **High Compatibility.** Voicecomm Brain is compatible with the three major international protocols for computer telecommunications integration (CTI), i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications. In addition, Voicecomm Brain is compatible with various types of organizational operating systems, including but not limited to that on office automation, customer relationship management and enterprise resource planning.

- **Synergetic Technological Capabilities.** Our core technologies in unified communications and AI synergize with each other effectively. For instance, leveraging our strong unified communication technological capabilities, our voiceprint recognition technology is uniquely empowered by our technologies analyzing the underlying communication protocols used for transmission of signals via different terminal devices, which realizes the accurate audio source separation and intelligent analysis of conversations involving multiple speakers.

- **Cost Efficiency.** We believe that Voicecomm Brain can realize cost efficiency for users by significantly improving their communication efficiency with substantially lowered costs, thereby facilitating the rapid expansion of their operation scale. Take our conversational AI administrative service solution deployed in Zibo, Shandong as an example, it enabled cost reduction by more than 85% compared with the solutions previously used therein, while the efficiency for reaching out to callees increased by tens of times and the administrative service completion rate exceeded 80%.

Our Comprehensive Functional Modules – Voicecomm Suites

To realize large-scale deployment of our solutions and their quick replications in adjacent use cases, we have developed a full set of functional modules, Voicecomm Suites, which comprehensively cover various steps of enterprise-level users' end-to-end information exchanges and business interactions. The modular combination of such Voicecomm Suites allows us to offer different types of solutions to address the pain points experienced by enterprise-level users from various end-customer industries, and deliver the same flexibly and selectably. The major features and advantages of Voicecomm Suites are as follows:

- **Completeness.** Voicecomm Suites in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools, so as to effectively empower the whole enterprise-level conversational AI process from "communication" to "thinking" and "execution" on a one-stop basis.

- **High Standardization.** Characterized by their high level of standardization, Voicecomm Suites can empower users' business operations in a cost-efficient fashion. Besides, the standardization nature also helps us achieve economies of scale by allowing us to readily replicate and adjust our solution offerings in similar application scenarios.

- **High Scalability.** Voicecomm Suites support free combination among themselves and output differently in accordance with users' specific business needs, and also enable interfacing with their various systems and software, through which we are able to deliver comprehensive and highly scalable solutions and diversify the same to the degree needed conveniently.

- **Low-Code.** Voicecomm Suites allow development personnel of users to realize the software applications that they want based upon APIs in a low-code fashion featuring high stability and easy-to-use, so that their concrete business requirements and needs for cross-scenario application expansion could be satisfied with efficiency and agility.

OUR COMPETITIVE STRENGTHS

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

A Seasoned IT Solution Provider with Nearly Two Decades' Dedication to Enterprise-Level Conversational AI

We are a seasoned provider of unified communications and AI-empowered solutions, dedicated to facilitating enterprise-level communication for nearly two decades.

Technological Innovations for Enterprise-Level Conversational AI

We have been dedicated to offering enterprise-level communication solutions for nearly two decades, which has been crystalized in our integrated technology infrastructure capable of intelligent communication, intelligent thinking and intelligent execution. According to the iResearch Report, we are an early mover in China to have developed full-stack enterprise-level conversational AI infrastructure and launched solutions based thereupon. Moreover, our technological innovation capabilities have won us great prestige within the industry. For instance, we have been granted with a number of reputed honors including the Shanghai "Specialized, Refined, Characterized and Innovative" Small and Medium-Sized Enterprise, the "Little Giant" Enterprise in 2019 and the "Golden Voice" – China Best All Media Intelligent Customer Service Solution Award, 2021. For details of our major awards, honors and recognitions, see "– Awards and Recognitions" in this section.

We are one of the few participants in the enterprise-level conversational AI solution market in China with global service capabilities, according to the iResearch Report. Our globally integrated delivery capabilities with respect to stable transmission of data and high-concurrency scenarios have been highly recognized by enterprises that we serve, based on which, we have become the long-term enterprise-level solution provider for a number of industry giants in China with substantial overseas operations.

We have been continuously exploring into cutting-edge conversational AI technologies and their commercialization applications. According to the iResearch Report, we are an early mover in China to have launched visualizable and cross-carriers conversational AI customer service solutions, and comprehensive ICV service platforms enabling a smart cockpit and V2X autonomous driving.

Commercialization of Enterprise-Level Conversational AI

We have accumulated rich industry know-how, engineering experiences and customer insights through, and in turn benefitting, our enterprise-level solution offerings. According to the iResearch Report, we are one of the participants in the enterprise-level conversational AI market in China with the broadest presence in different end-customer industries and the most abundant application scenarios. In particular, our various types of solutions have been offered to users across the following key end-customer industries:

- **City Management and Administration.** As of December 31, 2023, solutions of our Company had been deployed in eleven provinces/municipalities across China. According to the iResearch Report, we are one of the participants in the full-stack enterprise-level conversational AI solution market in China with the widest geographical coverage. Moreover, we rank the first in the full-stack enterprise-level conversational AI solution market for city management and administration in China as measured by revenue therefrom in 2023, according to the same source.

- **Automotive and Transportation.** We are one of the earliest enterprise-level solution providers that have penetrated into city-level autonomous driving, according to the iResearch Report. As of December 31, 2023, we had accumulatively served 17 automobile companies, ranging from traditional industry giants to new-energy vehicle players and other automotive start-ups in the industry, as well as a number of major logistics companies.

- **Telecommunications.** We have become a strategic conversational AI partner for the four major telecommunications companies in China.

- **Finance.** As of December 31, 2023, we had accumulatively served 16 nationwide financial institutions including banks and futures companies.

Complete Full-Stack Technology Infrastructure

Thoroughly utilizing our in-depth technological accumulations and rich experiences, we have established our robust and complete full-stack technology infrastructure underpinned by our core technologies in unified communications and AI.

Constantly Evolving Unified Communication Technologies

Our unified communication technologies are fundamental to successfully satisfying enterprise-level users' increasing demand for efficient and high-quality real-time communications in a variety of forms, and unified in the sense of being equipped with the following key capabilities:

- **Multimodal Communications.** Our unified communication technologies support inbound and outbound communications in various formats, such as audios, texts, images, videos, and a combination of the same, in a unified platform. Such availability for multimodal communications enriches the information exchanged and expands the forms of communications, which improves the communication efficiency of users.

- **Omni-Channel Access.** Our unified communication technologies support two-way transmission of information via various integratable channels, including those by the internet-end, IoV-end, IoT-end and traditional channels, etc., which helps users deploy and manage their communication platforms uniformly and conveniently.

- **Compatibility with Different Communication Protocols.** Our unified communication technologies support the three major international CTI protocols, i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications, which substantially broadens their applicability and effectively facilitates the smooth digital transformation of users' IT infrastructure.

- **Operating System Integration.** We have accumulated over 50 categories of APIs and enabled the integration of more than ten types of organizational operating systems, which help realize the unified collection and distribution of users' operating data and simplify their operation processes, thus connecting data silos within their internal organizations.

AI Technologies

Our AI technologies are composed of such key technologies including natural language understanding (NLU), natural language generation (NLG), text to speech (TTS), automatic speech recognition (ASR), emotion recognition and knowledge graphs, and thus realize the high-speed and accurate recognition, understanding and response based upon multimodal data through omni-channels. In combination with our in-depth technological accumulations in unified communications, our AI technologies are of high compatibility and generality for being widely applied in different scenarios, and have multiple-folded technological advantages in regard of key functional measurements. Specifically:

- **Superior Intelligent Processing Capabilities.** We own competitive capabilities of processing audio signals with respect to low sample-rate audios, self-adaptive and accurate adjustments in complex signal transmission settings, as well as anti-interference therefor. In particular, our technologies enable the intelligent processing of low sample-rate audios the frequencies of which are as low as 8kHz.

- **More Accurate Speech Recognition.** Our AI technologies maintain a competitive recognition accuracy rate in conversational scenarios involving multiple speakers. In addition, our technologies can accurately recognize a variety of foreign languages such as English, Vietnamese and Thai, etc., as well as Chinese dialects, which also leads ahead the industry average. For instance, the accuracy rate for recognizing the dialect from Anyang, Henan has reached 95.2%, based on our existing testing.

- **Faster Speech Data Processing.** To ensure a natural conversation flow, our AI technologies are able to complete the whole interactive process from sound collection, recognition, knowledge graph retrieval to speech synthesis and output on a hundred millisecond basis.

- **More Cutting-Edge Technologies with Huge Application Potentials.** Our AI models are designed, trained and optimized under our self-supervised leaning framework, and are able to stably support multiple rounds of AI conversations, which can be widely applied in emerging areas such as the newer generation of digital human interactions, as well as V2X autonomous driving. With a number of different types of AI algorithms accumulated, we have also developed our algorithm engine capable of self-adaption to different scenarios to allow better performance of our solutions.

Highly Standardized and Scalable Offering Capabilities That Facilitate Solution Launches and Continuously Improve Operating Efficiency

To facilitate the convenient and large-scale deployment of our enterprise-level solutions, we have developed a full set of Voicecomm Suites that in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools, so as to effectively satisfy varied application demand of a wide range of users on a one-stop basis. Voicecomm Suites allow us to deliver standardized solutions flexibly and selectably, and cater to users' specific needs by conveniently diversifying the same, as evidenced by our speedy and replicable solution deployment in the following exemplary projects:

- In our exemplary intelligent town project in Chengdu, Sichuan, our solutions covered 257 towns within Chengdu as of December 31, 2023, where more than 80 million person-times had accumulatively been served based upon our solutions. In addition, our similar solutions are being rapidly extended to a number of other comprehensive governmental projects, such as the intelligent village project in Deyang, Sichuan and the intelligent industrial park project in Chongming District, Shanghai, across China.

- According to the iResearch Report, our "12345" hotline solutions had encompassed the most number of prefecture-level administrative regions among participants in the full-stack enterprise-level conversational AI solution market in China as of December 31, 2023.

- In the ICV project in Zibo, Shandong, which was still ongoing and pending further implementation as of the Latest Practicable Date, our technologies had already successfully piloted 19 ICVs' operation on an over 20-kilometer route. It is expected that the project will be expanded from the project zone into the whole municipal area in the future to empower more than 600 ICVs and provide intelligent transportation services for more than three million citizens. Leveraging our rich experiences accumulated from the successful launch of such project, we are able to readily replicate similar solutions in other regions and assist more cities to build their conversational AI-empowered intelligent transportation systems, thereby benefitting tens of millions of people.

Meanwhile, the massive number of APIs that we provide enable us to not only lower users' costs of transferring between systems, but also contribute to the continuous improvement of our operating efficiency. In addition, benefitting from the high standardization of our solution offerings, the time length that we need to deploy our software installation package onto to users' systems from initiation of interfacing to completion of testing has been shortened from multiple days to as few as several hours, which outperforms the industry average that could range from a week to a month, according to the iResearch Report. Our aforementioned outstanding deployment capabilities greatly contribute to our continuously improved delivery efficiency and the ability to achieve economies of scale.

Sustainable Growth Empowered by a Vibrant Conversational AI Ecosystem

We hold the belief that building a vigorous and diverse conversational AI ecosystem enables players across the value chain to improve their productivity and prosperity, and also enables us to realize sustainable development by gathering various resources. The key components within the conversational AI ecosystem that foster our technological capabilities and empower our commercialization success mainly comprise:

- **Launch Customers.** We believe that the launch customers in an end-customer industry typically have considerable demand for enterprise-level conversational AI and sufficient budgets. Such launch customers not only have strong stickiness to our solutions, but also contribute significantly to the expansion of our customer base. Specifically, serving the launch customers has been continuously improving our conversational AI technological capabilities, degree of solution standardization, service capabilities in complex scenarios and the replicability of our solutions, during which process we are also able to accumulate vast industry know-how and enhance our brand name. As such, we are able to further attract more quality customers in multiple end-customer industries and geographical areas.

- **Industrial Connections.** We have established in-depth business relationships with influential integrators, financial institutions, automobile companies and sensor manufacturers, among others, as our customers, enterprise-level users or suppliers across China, which facilitates us in providing and upgrading competitive and commercially viable solutions. Moreover, such connections also inform us of the latest development of conversational AI application scenarios of different end-customer industries, and hence enables us to provide more users with solutions that are more pertinent to their business needs.

  In the course of our technological and solution innovations, we have also established extensive connections with other AI technology companies. For instance, we have become one of the first eco-partners of Baidu regarding the implementation of ERNIE Bot, its chatbot product, into enterprise-level conversational AI application scenarios. Leveraging our conversational AI technologies' compatibility and their ability to interface and coordinate with third-party models in specific solutions, we can procure from Baidu APIs for ERNIE Bot. Specifically, we have realized the connection of the large language model-based AI content generation capabilities of ERNIE Bot with our NLG, TTS and multi-media gateway technologies, etc., in development or testing environments, through which the two parties are able to jointly serve relevant application scenarios. We expect that the centralized AI services, large language model as well as general knowledge base underlying ERNIE Bot will serve as beneficial complement to our distributed AI services, models based on few-shot learning and professional knowledge base, which will allow us to better focus on AI trainings relating to professional issues in specific application scenarios.

- **Academic Alliances.** We and the School of Electronic Information and Electrical Engineering of Shanghai Jiao Tong University have jointly established the Research Laboratory for AI Applications, which operates as a specific research and development platform covering such primary conversational AI areas such as voiceprint recognition, TTS, NLP and knowledge graphs, as well as fundamental next-generation conversational AI studies and cutting-edge topics that are crucial for our further growth prospects.

- **Capital Partnerships.** We have received strong endorsements from our diversified strategic investors that include reputable local SOEs and industrial capitals, which support our continuous expansion into different end-customer industries and geographical areas. We will keep leveraging the synergetic effect between our strategic investors and us to help with our business growth.

Industry-Dedicated and Visionary Management Team

Our success is to a large extent attributable to our diversified management team with decades of dedications to the industry and sharp business visions, which is built up and maintained embracing a cooperative culture. Led by such a reliable management team, we are continuously advancing our technological innovations and commercialization progresses.

Both of our founder, Chairman and executive Director, Mr. Jinghua TANG, and our executive Director and general manager, Mr. Qi SUN, have more than 20 years' professional experiences in the industry. Additionally, the core members of our management team have also dedicated themselves to the industry averagely for more than ten years. Our experienced management team features a collection of leaders in research and development, commercialization, and sales and marketing, which empowers us to continuously improve our industry insights, accurately seize business opportunities, and deftly deal with various challenges and opportunities. The sharp business visions of our management team lie in their leadership in constantly optimizing our technological paths and strategies by identifying the promising intersection of various technological fields such as unified communications, cloud-based computing and AI in a customer-oriented fashion. Accordingly, we have been able to maintain our technological competitiveness and improve the standardization of our solutions, which allows us to keep rapid growth.

As another demonstration of such sharp business visions, we have been constantly placing great emphasis on our collaborations with renowned academics and influential scientists. Thanks to our profound industrial accumulations and outstanding technological capabilities, our pursuit of such collaborations has been met with warm response from the academia. Academician Jifeng HE, a world-renowned computer scientist, joined us in 2023 as our Chief Scientist. Graduated from the Mathematics Department of Fudan University in 1965, Academician HE was elected to the Chinese Academy of Sciences in 2005. As a reputed scientist with extensive scholarship experiences at top institutes across different countries, Academician HE has led a number of national research programs and received numerous prestigious science and technology awards. Academician HE is among the first few scientists in China to put forward the notion of responsible AI and facilitate the industrialization of the same. His research on responsible AI fits nicely with our solutions in serving enterprise-level application scenarios that necessitate high service professionality and output accuracy, and thus have more promising commercialization potentials. As such, we believe that Academician HE's joining us will substantially enhance our fundamental technological capabilities in conversational AI. Specifically, Academician He is responsible for our technological planning in enterprise-level responsible AI and consulting on the application of our ICV solutions, which we envision will greatly drive our technological accumulations in such areas with his academic achievements.

The core members of our management team have been cooperating with each other for more than 20 years, going through our evolvements in technologies, business models, strategies and organizational structure hand-in-hand. We believe that such a stable and mutually trusted management team can bring together needed resources to firmly execute our core business strategies, thus helping us to grow steadily.

OUR STRATEGIES

Further Invest in Research and Development to Ensure the Leading Position and Innovativeness of Our Conversational AI Technologies

We believe that maintaining competitiveness and innovativeness of our conversational AI technologies lays the foundation of our business success, which allows us to acquire quality customers, attract industry-leading talents and expand our market influence, as well as brings us sustainable long-term prosperity. Aiming at satisfactorily serving enterprise-level users' actual business needs, we will continue to invest in research and development so as to advance the standardization of our enterprise-level solutions, as well as to iteratively develop more application scenarios and innovative functions for the same. Specifically, we will continue to enhance our technological capabilities by implementing our key technology initiatives such as reinforcement learning, transfer learning and federated learning, visualizable conversational AI empowered by computer vision AI and next-generation unified communications compatible with visualizable conversational AI, so as to strengthen our competitiveness over existing and emerging enterprise-level conversational AI solution providers, and maintain our competitiveness and innovativeness of our conversational AI technologies.

To ensure effective implementation of our technology strategies, we will also expand our research and development team on a continuous basis, recruit more industry-leading talents and collaborate with more reputable laboratories and academic institutes, thereby nurturing an innovative culture that appeals to and cultivates top conversational AI talents. Furthermore, we had been establishing an AI empowerment computing center in Shandong as of the Latest Practicable Date, which, equipped with ample GPU resources, could cloudify the computing power and training of AI models. Through intelligent match-up of training assignments with the computer resources, the completion rate of jobs training deep learning models through the computing center can reach about 89.7% for GPU cluster, and the average GPU resource utilization rate can reach about 58.0%.

Strengthen Our Commercialization Capabilities by Enriching Our Solution Offerings

By leveraging our go-to-market strategies and accumulated industry insights proven to be successful in serving our four key end-customer industries, we plan to accelerate our penetration into other industries such as the media, healthcare, E-commerce and retailing, etc., in order to empower their intelligent transformation and improve our industry coverage. Besides, fostered by our understanding of the existing users and our rich industry know-how, we also aim to rapidly iterate our solution offerings, so as to expand our customers base, up-sell our existing customers and increase their stickiness to our solutions, and ultimately increase our market share. Specifically, we plan to serve a more diverse group of customers covering governmental entities, large-scale state-owned enterprises and influential public companies, among others. In addition, we plan to continue to enhance the standardization level of our solutions and our delivery capabilities to more effectively reach a larger number of quality customers in more end-customer industries and achieve profitability at scale.

With a goal to strengthen our commercialization capabilities effectively, we plan to expand our in-house sales and marketing team by recruiting more professionals with rich industry and customer insights. We believe that such personnel can help us capture the business needs of users and the pain points of the industry, hence enabling our solutions to evolve at a desirable pace.

Enhance Our Connections with Industrial Participant to Support a More Prosperous Conversational AI Ecosystem that Further Realizes Sustainable Development

We have successfully built a vigorous and diverse conversational AI ecosystem. We believe that the attraction and integration of value-carrying business partners can further enhance our brand name, strengthen the competitiveness of our solutions, and achieve reciprocal and sustainable development of the conversational AI ecosystem. Through collaborations with such leading business partners, we will be able to acquire optimal industry know-how and customer insights, which can further promote our development of preeminent solutions. At the meantime, collaborating with system integrators with a cross-region and/or cross-industry presence can extend our regional and industrial reach, and assist us in delivering solutions that are better compatible with user needs.

With such belief, we intend to deepen our collaboration with our business partners within the conversational AI ecosystem through resources sharing, strengths integration and mutual empowerment, whereby we can grasp broad business opportunities. In addition, we also intend to proactively identify and execute business acquisition opportunities throughout the upstream and downstream industry chain, which we believe will serve as valuable supplement to our existing conversational AI ecosystem and contribute to its long-term prosperity.

Actively Expand into Southeast Asia and Other International Markets

We believe that various types of organizations across the globe commonly share the pressing needs of intelligent transformation of their operations. As such, we plan to fully seize business opportunities embedded within such trend by continuing to replicate our successful domestic experiences into international markets. Specifically, we will solidify our first-mover market advantages in Southeast Asia through the following endeavors. First, we will further develop our technologies on recognizing less-spoken languages. Leveraging our ASR training models and based upon our mature models developed for frequently spoken languages with ample data samples, we will conduct transfer learning related trainings upon languages used in Southeast Asia, such as Vietnamese and Thai, etc., to make the training models better accommodate the characteristics of such languages and improve the recognition accuracy therefor.

Through the aforementioned endeavors, we could overcome the technological difficulties in achieving highly-accurate recognition of less-spoken languages traditionally bound by limited data samples, and empower our customers/enterprise-level users with business operations in Southeast Asia with enhanced communication efficiency. Second, we will further our market explorations in Southeast Asia by leveraging our benchmark use cases therein, i.e., establishing multinational intelligent customer service centers for automobile and logistics companies with international operations that were transnationally connected based on our unified communication technologies and AI technologies. For details, see "– Our Solution Offerings – Voicecomm Solutions – Automotive and Transportation – Case Study – Case Study 1: Multinational Intelligent Customer Service Centers" in this section. Such exemplary use cases have demonstrated our accuracy of recognizing less-spoken languages which leads ahead the industry average, as well as our ability to intelligently schedule customer service resources in a multinational fashion.

We believe such use cases have showcased the robustness of our solutions and will therefore help us achieve greater market acceptance in the Southeast Asia local market. In the course of the increasing outbound expansion of other customers/enterprise-level users with Southeast Asia footprints, we will be able to similarly demonstrate to them our transnational service capabilities. In addition, the aforementioned amplification of our overseas presence can also facilitate the expansion of our overseas operations by serving more offshore customers/enterprise-level users directly. Specifically, supporting the international operations of our current customers/enterprise-level users creates the opportunity for us to get visibility to their regional partners, customers and vendors, among other local players, and showcase our credentials to these prospect customers/enterprise-level users. This exposure will allow us to forge direct relationships with new overseas targets. During the Track Record Period, we have started to generate revenue from customers in Southeast Asia since 2023, and we plan to gradually increase our overseas revenue going forward.

Moreover, overseas operations will significantly enrich our multilingual knowledge base, which has great potentials to enhance our conversational AI technological accumulations and commercialization experiences. Through the process of getting to know various complex application scenarios and business requirements in a wider range of differentiated national, geographical and/or organizational settings, we will continue to upgrade our technological strengths, solution delivery capabilities and one-stop service abilities.

OUR SOLUTION OFFERINGS

Our solution offerings are fundamentally enabled by Voicecomm Brain underpinned by our core technologies in both unified communications and AI. Based upon Voicecomm Brain, we have developed a full set of Voicecomm Suites, i.e., highly standardized, highly scalable and low-code functional modules. Leveraging Voicecomm Brain and Voicecomm Suites, we are able to offer various types of enterprise-level solutions that can be used by enterprise-level users across a wide array of end-customer industries, primarily including city management and administration, automotive and transportation, telecommunications, and finance.

Voicecomm Brain – Our Technology Infrastructure

Voicecomm Brain, our technology infrastructure, is underpinned by our core technologies in both unified communications and AI. Our unified communication technologies are fundamental to successfully satisfying enterprise-level users' increasing demand for efficient and high-quality real-time communications in a variety of forms, and our AI technologies empower the "thinking" and "execution" processes of enterprise-level conversational AI. For more details of our unified communication and AI technologies, see "– Our Technologies" in this section.

Voicecomm Suites – Our Functional Modules

On top of our robust Voicecomm Brain, we have developed a full set of Voicecomm Suites, i.e., highly standardized, highly scalable and low-code functional modules, which comprehensively cover various steps of enterprise-level users' end-to-end information exchanges and business interactions. Such modules specifically include that on multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools and workflow tools. The major features and advantages of Voicecomm Suites are as follows:

- **Completeness.** Voicecomm Suites in aggregate functionally enable the processing and two-way transmission of the underlying communication signals, AI empowerment in the application layer, and algorithm-equipped and productized operational interface-side tools, so as to effectively satisfy varied application demand of a wide range of users and empower their whole process from "communication" to "thinking" and "execution" on a one-stop basis. Categorizable in the manner below, Voicecomm Suites specifically include:

    ➢ *Unified Communications Modules.* Our multi-media gateways module supports signal processing with respect to multimodal information such as audios, texts, images and videos through different types of communication channels, including those by the internet-end, IoV-end, IoT-end and traditional channels, etc. Meanwhile, our intelligent softswitch module realizes the unified integration of and interactions between such different communication channels, providing users with a convenient and flexible communication exchange system based on IPs that is internally and externally inter-connective and allows two-way transmission and scheduling of extensive trans-modal and trans-user terminal information and data.

➢ *AI Modules.* After extensive trans-modal and trans-user terminal information and data have been integrated into a unified platform, our complete AI modules, consisting of recognitive modules (including speech recognition and emotion recognition), natural language processing-related modules (including language understanding and language generation) and speech synthesis module, realize multiple rounds of meaningful and efficient human-machine interactions based upon such information and data in an enterprise-level setting. Additionally, such process is further empowered by our knowledge graphs module intelligently achieving orderly knowledge accumulations, graphical knowledge management and automatic reasoning and recommendation.

➢ *Product Engine Modules.* Our product engine modules are backend procedure-configuration software that enables enterprise-level users to conveniently define external service processes, allocate communication resources, and manage internal workflow through operative interfaces. Specifically, the product tool module enables customization of conversation flows in a way tailored to different scenarios and service processes involved, as well as management of different communication channels to ensure smooth information exchange and timely responsiveness. Our workflow tools module allows enterprise-level users to manage work tickets and design procedures across different departments, thereby improving enterprise-wide transparency and efficiency. Our product engine modules can be seamless integrated with our unified communications and AI modules, and realize enterprise-level users' external communication and internal management on a one-stop basis, thus closing up the whole process of their end-to-end information exchanges and business interactions straightforwardly without any cost of transferring between systems.

- **High Standardization.** Voicecomm Suites are characterized by their high level of standardization through our decades' technological accumulations, and can substantially lower users' cost of use and operation and maintenance cost, empowering their business operations in a cost-efficient fashion. Besides, the standardization nature also helps us achieve economies of scale by allowing us to readily replicate and adjust our solution offerings in similar application scenarios, so as to shorten the research, development, deployment and commercialization cycles.

- **High Scalability.** Voicecomm Suites support free combination among themselves and output differently in accordance with users' specific business needs, and also enable interfacing with their various systems and software, through which we are able to deliver comprehensive and highly scalable solutions and diversify the same to the degree needed conveniently.

- **Low-Code.** In addition to our ability to output our technological capabilities through software development kits, Voicecomm Suites allow development personnel of users to realize the software applications that they want based upon APIs. Such free configuration of functions in a low-code fashion features high stability and easy-to-use, so that their concrete business requirements and needs for cross-scenario application expansion could be satisfied with efficiency and agility.

The completeness, high standardization, high scalability and low-code features of Voicecomm Suites can effectively address a number of pain points manifested in enterprise-level conversational AI solution market. As the choice of our customers, we are able to offer different solutions through the modular combination of some or all Voicecomm Suites. Because of the high synergies between unified communications and AI technologies, the typical types of solutions that we offer to various enterprise-level users can primarily be used in such prevalent interactive scenarios as contact service (as needed by various types of organizations to communicate with individuals, with corporation's customer services as an example), equipment control and scheduling, enterprise communication and management, as well as the operation of intelligent community and V2X autonomous driving. Leveraging our core technologies' completeness and extensive applicability to such interactive scenarios, we offer a number of variant solutions to enterprise-level users from multiple end-customer industries that facilitate and intelligently transform their respective form of information exchanges and business interactions, which have primarily empowered:

City Management and Administration

- Intelligent community
- Intelligent administration (conversational AI-empowered contact service)
- Intelligent IoT (speech-based equipment control and scheduling)

Automotive and Transportation

- Customer service (conversational AI-empowered contact service)
- IoV service (speech-based equipment control and scheduling)
- V2X

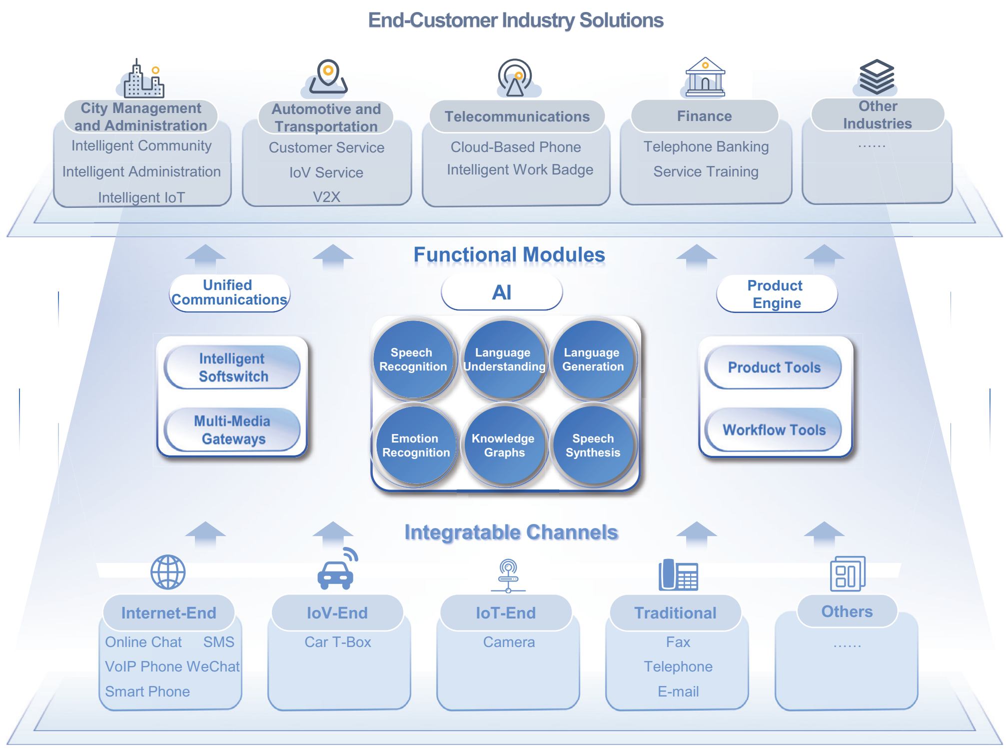
Telecommunications

- Cloud-based phone (intelligent enterprise communication and management)
- Intelligent work badge (speech-based equipment management and scheduling)

Finance

- Telephone banking (conversational AI-empowered contact service)
- Service training (intelligent enterprise communication and management)

The following diagram illustrates specifics of Voicecomm Suites as well as the major solutions as applied in different end-customer industries that can be empowered thereby:



Voicecomm Solutions

Leveraging Voicecomm Brain and Voicecomm Suites, we are able to offer enterprise-level solutions to effectively improve the level of convenience and intelligence with respect to information exchanges and business interactions of enterprise-level users from various end-customer industries. During the Track Record Period, we primarily offered our solutions to four key end-customer industries where we had accumulated rich industry know-how, engineering experiences and customer insights, i.e., city management and administration, automotive and transportation, telecommunications, and finance, defined as the industry where a certain enterprise-level user being empowered by solution(s) is from. We are also expanding the presence of our solutions based upon existing Voicecomm Suites into other industries such as the media, healthcare, E-commerce and retailing, etc., that can be empowered by conversational AI.

Our solutions are primarily based upon software systems designed and developed by us catering to enterprise-level users' concrete needs, which may also be offered in an integrated manner, as the specific case may so request. In such software plus hardware solutions, we offer hardware devices in which our software systems are embedded, network and other telecommunication resources through which our technological capabilities are delivered, and/or other service (if needed), etc., procured from suppliers.

City Management and Administration

We have a long history of providing solutions for local governments that meet their various communication needs in their city management and administrative services since 2007. The number of provinces/municipalities in which solutions in city management and administration of our Company had been deployed during the Track Record Period expanded from seven in 2021 to eight in 2022, and further to eleven in 2023, including such populous provinces/municipalities as Sichuan, Beijing, Guangdong and Shanghai in which we focused our penetrating efforts. According to the iResearch Report, we are one of the participants in the full-stack enterprise-level conversational AI solution market in China with the widest geographical coverage. Moreover, we rank the first in the full-stack enterprise-level conversational AI solution market for city management and administration in China, as measured by revenue therefrom in 2023, according to the same source. Specifically, we offer solutions that are primarily used in the following areas:

- **Intelligent Community.** Through our technologies, the solutions that we offer in a number of intelligent communities (such as intelligent towns and other similar industrial parks) in China uniformly empower the digitalized operations of numerous organizations and businesses stationed therein and the follow-up development of software applications to be utilized therein, in the form of a "intelligent platform", so as to realize technological resource integration and capacity precipitation. For details of our exemplary intelligent town project in Chengdu, Sichuan, see "– Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.

- **Intelligent Administration.** The communication platforms that we establish for local governments (such as "12345" hotlines and police hotlines) effectively support their inbound/outbound contact needs, so as to help them fulfill their administrative roles. According to the iResearch Report, our "12345" hotline solutions had encompassed the most number of prefecture-level administrative regions among participants in the full-stack enterprise-level conversational AI solution market in China as of December 31, 2023. The hotlines we offer seamlessly integrate with other administrative communication systems and intelligently transform administrative services.

- **Intelligent IoT.** We also offer solutions that can be applied in diverse scenarios where city administrators have been increasingly exploring ways of digitally transforming the landscape of city management by adopting various intelligent IoT devices in areas ranging from public utilities to administrative facilities and emergency response. Our technologies are widely applied therein to ensure the reliable transmission and intelligent allocation of the unstructured data generated to the relevant city administrative entities to facilitate their decision-making processes, thus enabling the intelligent scheduling of administrative resources and the smooth operation of an intelligent administration network.

Case Study

Case Study 1: Intelligent Town Project in Chengdu

China's "Internet Plus" initiative was first proposed as a national strategy in the government work report in March 2015 on the third session of the 12th National People's Congress of the PRC. In July 2015, the State Council released the *Guiding Opinions on Promoting the Development of "Internet Plus"* (《關於積極推進"互聯網+"行動的指導意見》) to promote in-depth integration of various traditional sectors with the internet. In 2016, "Internet Plus" was enlisted in China's 13th Five-Year Plan (2016-2020) as a prominent driver of economic transformation and development, which aims to fuel economic growth by integrating the internet with a great variety of sectors in economy and social life, such as manufacturing, city management and administration, finance, healthcare, tourism, real estate and agriculture. Seen as an important driving force for China's economic and social innovation and development, "Internet Plus" focuses on deepening the fusion of the internet, cloud computing, and big data into national economy, thereby having great potential to foster new economic forms, support mass entrepreneurship and innovation and provide a robust economic growth engine.

In furtherance of the "Internet Plus" initiative, a number of cities and towns in China have been adding intelligent elements to their local businesses. Starting from 2017, Chengdu, Sichuan has been implementing its intelligent town project where the infrastructure, administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one cloud-based platform, thereby realizing the establishment of an intelligent town cluster that facilitates urban-rural convergence. As such, the main purpose of our participation in the project was to facilitate the establishment of a public service platform therein capable of unified communications and equipped with AI technologies that could support the follow-up development of software applications and integrate unstructured data. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions for the project:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, network resources, maintenance and promotional services for the town cluster

In the project, we cooperated with the local telecommunications companies and established a conversational AI-empowered digitalized technological infrastructure for the intelligent town cluster in which we were primarily responsible for providing the communication technological capabilities and AI technologies involved therein. Besides, we have also been providing businesses stationed therein with conversational AI solutions for various customer services, collection and distribution of data, as well as other value-added services that involve intelligent unification of communications based on the infrastructure. Specifically, our unified communication technologies could realize the coding and transmission of videos and audios, as well as other signals, underlying various interactive scenarios within the town cluster, and, on top of which, our core conversational AI technologies could then intelligently transform such interactions. See below for concrete technological steps involved in the management and operations of the intelligent town cluster's tourism functions that were empowered by our unified communication and core conversational AI technologies:

- **Platform Management.** By contrast to traditional communications technology facilitating data transmission via singular medium form, our unified communication technologies enabled the transmission of text, audio, image and video signals concerning onsite tourists to the tourism management center for its to manage the same in an integrated manner. Equipped with such multimodal information, the center could have a holistic and real-time understanding of visitor amount, activeness and traffic, etc., allowing it to effectively schedule tourism management personnel and other resources; and

- **Visitor Communication.** Commercial tenants stationed within the town cluster and the social media platform of the said tourism management center were also equipped with intelligent virtual agents empowered by our comprehensive core conversational AI technologies. Such intelligent virtual agents were able to more intelligently serve the visiting tourists than traditional tourist-town visitor services enabled solely by human agent seats that are oftentimes faced with issues with language barriers, untimely feedback and inconsistent service quality, etc. Specifically, our ASR technology enabled visitors to verbally inquire about attractions, restaurants, hotels and various other services through interactive voice communications in different Chinese dialects, and our NLU technology could parse the spoken questions to derive contextual meaning and visitors' intent. During the same process, our emotion recognition technology could also analyze emotions of the speaking visitors manifested in the conversation through extracting acoustic features from speech signals, such as tone, volume and speed. Based upon such analysis of the visitors' intent and emotions, our NLG technology accordingly provided relevant answers or recommendations by leveraging integrated knowledge graphs covering points of interest, events, transportation options and more. The system could then deliver responses via natural-sounding speech synthesized using our TTS technology. Leveraging our technological accumulations in customer service related scenarios, our TTS technology is able to output natural speech in tones that sound polite and caring in tourism settings, so as to improve the complete interactive experiences. As such, our technologies made the visitor services more accessible, engaging and standardized.

In addition to our unified communication and core conversational AI technologies, our product engine technologies facilitated the operation of the town cluster primarily by realizing (i) the flexible configuration of various service procedures involved in the diverse scenarios within the town cluster such as citizen services, administrative management and tourism; and (ii) the efficient scheduling and management of service personnel through the identification, tracking and resolution of events based upon an integrated workflow management platform cross different departments.

Besides our technological outputs, we have also provided management-side interfaces visualizing the analysis and assisting the local administrators to effectively and conveniently manage the intelligent town cluster. The following graphic is a screenshot of a unified interface comprehensively illustrating the real-time status with respect to the facility integration, advertising, governance monitoring and user behavioral statistics of the intelligent town cluster:

Notes:

(1) Basic information, including the theme of the interface, access date and time

(2) Display of information including total amount of facilities integrated, their distribution by facility category, online rate, and facility status, etc.

(3) Display of information including real-time sales statistics of the merchants integrated, user access status, and product transaction rankings, etc.

(4) Display of real-time local events reported and the visualized analysis and statistics of the same, as well as the corresponding monitor screen image, etc.

(5) Display of information including total visitor amount, their basic demographics and geographical origins, visitor traffic by time phase, subsequent activities, and ways of traveling, etc.

As of December 31, 2023, our solutions had covered 257 towns within Chengdu, where more than 80 million person-times had accumulatively been served based upon our technologies. In addition, our similar solutions are being rapidly extended to a number of other comprehensive governmental projects, such as the intelligent village project in Deyang, Sichuan and the intelligent industrial park project in Chongming District, Shanghai, across China. We believe that the benefits of our participation in the project are multiple-folded.

Empowering the establishment of the intelligent town cluster through network resources that are fundamental to carrying our conversational AI technological capabilities, we will then be able to quickly acquire a mass of new customers who have arising yet unsatisfied demand for intelligent communications that can be sufficiently addressed by our conversational AI technologies. During the same process, we are also able to expand our sales channel and presence in wider geographical areas of China. As such projects are being increasingly launched across China, as supported by the aforementioned "Internet Plus" initiative and a number of other favorable industrial policies stimulating the development of digital economy, unified communications and AI technologies, we believe that we are able to further seize the business opportunities in the substantial release of digitalization potentials for city management and administration.

Case Study 2: Conversational AI "12345" Hotline Solutions

Local governments in China have been increasingly emphasizing the significance of their "12345" hotlines as a valuable channel to improve the quality and level of their governance, and leveraging the information generated therefrom as a key basis for evaluating the work conducted by their departments. However, the efficiency of such hotlines sometimes fails to meet the city administrators' expectations due to the limited response speediness and varied service quality of human agent seats only, especially when the request volumes and hotline traffic skyrocket during material events affecting regional municipal management such as a pandemic outbreak. Moreover, insufficient interconnectivity between different administrative communication systems can cause multiple departments being repetitively involved in the issue-solving processes, and the multifarious information and numerous work tickets generated from such hotline are often featured by overly highly granularity, unless engaging cumbersome human-based content analyses, categorizations and assignment distributions. As a result, citizens' requests or complains may not be able to be allocated to the relevant departments and cleared timely and accurately, which will also render the governmental decision-making and evaluation processes ill-informed. Accordingly, we have offered conversational AI "12345" hotline solutions in a number of cities mainly for the purpose of effectively solving the aforementioned issues in a conversational AI-empowered manner. Specifically, our core conversational AI technologies can assist human agent seats to understand, reply to and document calling citizens' requests and improve their service quality, and our unified communication technologies, through integrating multiple communication channels into a unified platform, expand the handling scope of such hotlines pre-call and facilitate the issue-solving process post-call. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, maintenance services

See below for concrete technological steps involved in the operation of such "12345" hotlines that can be empowered by our core conversational AI technologies:

- **Dialect Recognition.** Various Chinese dialects in different regions have substantial differences from Mandarin in pronunciation, tones, vocabularies, etc., which can make it difficult for human agent seats to understand the requests of callers speaking in dialects and result in poor communication outcomes. In this regard, the effectiveness and accuracy of interactions between human agent seats and the calling citizens across a wide range of geographical areas in China are ensured by our strong ASR technological capabilities of recognizing Chinese dialects. We have extensive accumulations in dialect recognition, and are able to conduct model training and optimization based upon the specific characteristics of different dialects to realize accurate recognition. For instance, our accuracy rate for recognizing the dialect from Anyang, Henan has reached 95.2%;

- **Automatic Reply.** Human agent seats serving hotlines that are purely enabled thereby need to manually look up relevant background information pertaining to the calling citizens' questions and answer accordingly. By contrast, our NLU technology supports the automatic search of pertinent answers from backend systems or against service protocols, and reply accordingly. This saved searching and processing time therefore shortens the service process per call and improves the hotlines' operation efficiency;

- **Work Ticketing.** In the case of citizen requests that would need further handling by being distributed to the relevant departments, human agent seats usually need to spend a substantial amount of time analyzing and summarizing the requests, which is not only inefficient but also prone to error. Rather, our ASR and NLG technologies allow intelligent analysis of the work tickets automatically generated thereby, and grouping of the same based on factors including subject matters, localities, competent authorities, and levels of priority, therefore allowing them to be accurately distributed to the relevant departments;

- **Quality Assurance.** Our ASR technology also enables 100% full-volume performance quality assessment on the agent seats' service process, which lifts the burden of human-based conversation quality assurance characterized by selective assurance due to high-volume conversations to be assessed versus limited number of quality assurance analysts (for instance, a 50-personnel human agent team will typically generate recordings of 160 hours per day, and normally one or two analysts are engaged but merely able to selectively cover about 2% of the recordings per day, with their standards inevitably difficult to be unified); and

- **Automatic Feedback Collection.** Our NLG and TTS technologies also enable automatic return calls to collect feedback on the status of request completion and thus conveniently satisfy city administrators' outbound communication needs, especially during material events, without cumbersome human agent involvement. These technologies not only improve citizens' satisfaction with the hotlines' operations but also ensure the responsiveness of the administrative service platforms.

See below for concrete technological steps involved in the operation of such "12345" hotlines that can be empowered by our unified communication technologies:

- **Platform Integration.** Our unified communication technological capabilities could realize the integration of the hotlines with other administrative communication systems, such as risk monitoring systems and cross-department communication systems, as well as the communications via omni-channel accesses, into one unified platform. Since administrative service platforms established upon singular communication channels will lead to redundancies of administrative resources allocated and inefficiency in the relevant department's handling the matter promptly, this interconnectivity substantially adds to the hotlines' operational values; and

- **Multiple-Channel Feedback Collection.** To match with citizen's diverse communication habits, our unified communication technologies also enable feedback collection requests to be transmitted via multiple communication channels integrated, including WeChat, text messages and emails according to customized notification strategies. This multiple-channel deliverability closes up the cycle of administrative services in a cost-efficient fashion. Take our solution deployed in Zibo, Shandong as an example, the efficiency for reaching out to callees increased by tens of times and the administrative service completion rate exceeded 80%, while the implementation cost reduced by more than 85% compared with the solutions previously used therein.

Besides our core conversational AI and unified communication technologies, our product engine technologies facilitate the operation of such "12345" hotlines primarily by realizing (i) the management and allocation of hotline resources; (ii) the formulation of service procedures involved; and (iii) the workflow management in relation to different governmental functions such as administrative management, citizen services and emergency response, and the automatic call transfer thereto in accordance with the requests identified.

Finally, the insights generated from the whole communication process can be systematically processed, quantitatively analyzed and visualized via interfaces to provide city administrators with a better understanding of the efficiency, trends, recurring and newly emergent issues with respect to their city governance and services, which can also be used as a compelling source for evaluating departments' work performance. The following graphic is a screenshot of the interface monitoring the operations of the "12345" hotline offered in a certain locality and displaying a wide array of findings intelligently analyzed, as could be observed real-time by the decision makers of various departments of the local government:

Notes:

(1) Basic information, including the theme of the interface, access date and time

(2) Overall summary, including total amount of citizen requests accepted and closed per day/week/month, amount of requests by subject matter and league table among units by performance score of the previous month

(3) Whole-process information of each event category, including the event type, subject matter, date of occurrence, place of occurrence and current status

(4) Visualized analysis of citizen requests in the whole area

(5) Early warnings and anomaly alerts based on intelligent analysis of key events

(6) Grouped monitoring information and administration advice based on intelligent analysis

Case Study 3: Visualized Conversational AI Fire Police Hotline Solutions

Our technologies have also been used in visualized fire police hotline solutions that have upgraded traditional firefighting process. During our cooperation with a fire center in Shandong, our core conversational AI technologies enabled intelligent generation of the fire report and our unified communication technologies realized the transmission of video signals concerning the view of real-time fire scene. With the support of such intelligently generated fire report and visual information, the main purpose of our solutions was to improve the fire reporting process and allow firefighting resources, including firefighters and fire trucks, to be dispatched with ease and more precision, thus enabling a flexible allocation and optimization of firefighting force. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, maintenance services

Procedurally, when an emergency caller dialed in, the hotline operator would interact with him/her applying our pre-formulated scripts and based upon our scenario-customized knowledge base, after which a work ticket summarizing the fire report would be automatically generated. See below for concrete technological steps involved in the fire reporting process that were empowered by our core conversational AI and unified communication technologies:

- **Streamlined Fire Alarm Response.** The traditional fire alarm handling procedure involves the alarm operator firstly receiving the fire alarm and confirming the planar location and specific floor of the fire, and then notifying relevant onsite personnel. This process would elongate the dispatch time and impact rescue efficiency. Instead, the reporting and notification process enabled by our solutions was empowered by our comprehensive core conversational AI technologies. Specifically, our ASR technology automated the extraction of key words from the reporting persons on fire-related matters in real-time, including reported location, burning substances, fire situation (whether there was open flame, white smoke or black smoke, etc.,) and the existence of any trapped individuals onsite. Afterwards, our NLG technology automated the generation of fire report based upon the reported information that had been intelligently processed. Automatically distributed to the fire police department, such fire report substantially streamlined the fire-reporting process and improved the disaster response efficiency; and

- **Multi-Channel Fire Scene Evaluation and Communication.** Our unified communication technological capabilities of integrating video calls allowed videos from the emergency caller end to reach the fire center. This specifically allowed staff handling the matter to capture the scene through transmissions of video signals, such as smoke and firelight, and accordingly evaluate the fire level, risk level and surrounding conditions. Moreover, urgent communication over the fire scene via singular communication channel may be disrupted due to signal interference. To address this uncertainty, our unified communication technologies supported interactions through various devices (landlines, VoIP phones, etc.), ensuring that relevant information could be timely delivered for prompt decision-making and coordination.

Besides our core conversational AI and unified communication technologies, our product engine technologies facilitated such fire reporting process primarily by realizing (i) the configuration of communication procedures integrating human staffs, automatic response and multi-media platforms; and (ii) the workflow management of the work tickets generated across different departments such as firefighting, police and medical aid.

Based upon our aforementioned technologies, the solutions improved firefighting performance including risk warning, prevention and control, as well as the overall response to emergencies.

Automotive and Transportation

We have rich experiences and strong capabilities of serving automobile and logistics companies. The number of customers to whom our solutions in automotive and transportation had been offered during the Track Record Period increased from 52 in 2021 to 57 in 2022, and further to 66 in 2023. Specifically, we offer solutions that are primarily used in the following areas:

- **Customer Service.** We are a seasoned provider for customer service solutions for automobile companies covering the whole process of their customer contact needs, ranging from pre-sale consultations, product sales and marketing to customer follow-ups. Depending upon the automobile companies' specific requirements on the functionalities of their customer service platforms, our solutions allow the needs of their customers to be analyzed and solved in a conversational AI fashion. Similarly, we also offer customer service solutions for logistics companies, which help respond to their customers' needs and queries in real-time, thus standardizing their service processes and improving their service efficiency.

- **Internet of Vehicles (IoV) Service.** IoV service provides another typical automotive and transportation application for our technologies, in which we have accumulated service experiences for more than one decade. Our solutions enable a smart cockpit by empowering the data transmission and interactions between vehicles and the remote control center, and can be used in real-time emergency rescue and maintenance services, etc. Moreover, our solutions also support the collection and transmission of data about vehicle operations and traffic conditions generated from various smart in-vehicle and roadside traffic control devices, as well as the intelligent analysis of the same, thereby facilitating the intelligent scheduling of vehicle resources and route navigation. In short, our IoV service realizes data interconnectivity and intelligent in-cabin interactions with respect to manned vehicles.

- **Vehicle-to-Everything (V2X).** In addition to the above manned vehicles-related application, we have also penetrated into the emerging V2X scenario, a major technological path to realize autonomous vehicles. Specifically, our technologies facilitate the conversational AI-empowered sharing of information between ICVs and surroundings, such as other vehicles, road infrastructure and control center, etc., for better situational analysis and collaborative decision-making of ICV operation and routing according to real-time information, thus realizing such V2X autonomous driving. Through such technological steps, our solutions perform the crucial role resembling that of traffic police in traditional transportation systems and ensure smooth operations of ICVs in the newly emergent intelligent transportation systems. We are one of the earliest enterprise-level solution providers that have penetrated into city-level autonomous driving, according to the iResearch Report, which affords us significant first-mover advantages compared with other new market entrants in commercialization of the area. For details of our exemplary ICV project in Zibo, Shandong, see "– Case Study – Case Study 2: ICV Project in Zibo" in this section.

Case Study

Case Study 1: Multinational Intelligent Customer Service Centers

Automobile and logistics companies having international operations typically need to establish multinational customer service centers to handle customer feedback, inquiries and consultation, and other requests from the operation sites of overseas countries. The multinational nature imposes much more demanding requirements on the solution providers with respect to their unified communication technological capabilities of integrating telecommunications services, hardware devices and different communication protocols in a cross-country fashion. Moreover, the establishment of such multinational customer service centers necessitates the technological capability of integrating customer service centers of different countries to realize the efficient allocation of multinational agent seat resources.

We accordingly offered solutions assisting certain automobile and logistics companies in establishing their multinational intelligent customer service centers, which were globally well-connected. In addition to our unified communication technologies that ensured the integration of calls made from various countries, our core conversational AI technologies empowered the operation of such customer service centers by enabling speech-based interactions based upon different foreign languages catering to the multinational nature of such centers. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, product tools, workflow tools	software systems, maintenance and server hosting services

See below for concrete technological steps involved in the operation of such multinational intelligent customer service centers that were empowered by our unified communication, core conversational AI and general AI technologies:

- **Transnational Signal Transmission.** As communication signals in different countries or regions may be transmitted based upon different protocols, the technologies of a solution provider serving such multinational customer service centers have to be compatible with different protocols and communication methods. In this regard, our unified communication technologies support the three major international CTI protocols, i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications, which made the centers' multinational operation possible;

- **Recognition of Foreign Language.** Operating customer service centers across multiple countries introduces language diversity challenges, as many regions have relatively lower-usage native languages that pose difficulties for accurate speech recognition. Our ASR technology overcame this technological challenge based upon our mature models developed for frequently spoken languages with ample data samples and transfer learning conducted upon less spoken languages. Specifically, it realized the automatic recognition of different less spoken languages, including Vietnamese and Thai, and was able to maintain satisfactory accuracy rates for recognizing such foreign languages. This allowed us to realize seamless voice interactions based upon languages spanning customer service centers in different counties, where the calling customers could speak naturally and comfortably without friction caused by recognition errors. Compared with customer service centers enabled by any single language, our solutions could drive higher customer satisfaction due to the removal of language barriers; and

- **Allocation of Agent Seat Resource.** In addition to our unified communications and core conversational AI technologies, our general AI technologies could realize the intelligent routing of incoming calls to available agent seats. Multinational customer service centers regularly handle complex and diverse customer issues, which can particularly encounter uneven distribution of agent seat resources, resulting in excessive waiting time and eventually agent seat overload. Accordingly, the automatic call distribution system enabled by our AI algorithms helped a well-known Chinese automobile giant realize the intelligent allocation of agent seat resources: when the incoming calls in a certain country were overloaded, then calls received therein would be transferred to another country's server system with available agent seat resources, thus successfully avoiding excessive queuing, reducing average caller waiting time, and improving the callers' overall experiences.

Besides, our product engine technologies facilitated the operation of such multinational intelligent customer service centers primarily by realizing (i) the configuration of IVR systems that could lead the calling customers towards the specific service matters, such as shipment tracking and complaints; and (ii) the establishment of a complete set of ticketing management tools ranging from registration, transfer, processing and resolution that were multinationally standardized.

On top of our technologies, we designed a number of monitoring interfaces visualizing a wide array of metrics, including statistics on agent seats and calls received/made, so that the companies could have a comprehensive understanding of the overall service performance of customer service centers. A latest screenshot of one of such interfaces for a reputed logistics company is set forth in the following graphic:

Notes:

(1) Basic information, including access date and time, and manager account

(2) Overview of call-answering statistics of the past seven days

(3) Real-time monitoring panel of agent seat status

(4) Average-statistics analysis of agent seats of the day, including conversation length, amount of calls answered, and duration of unready status

(5) Panel visualizing real-time data of the day, including total amount of calls received and cases of call overflows, as well as statistical charts displaying amount of calls received, amount of calls answered, and call-answering rate by each hour

(6) Panel monitoring agent seats in a real-time manner, displaying agent seat average workload and total amount of agent seats

(7) Visualized report of call-answering rate, survey acceptance rate, and customer satisfaction rate

Case Study 2: ICV Project in Zibo

Starting from 2022, we have participated in the ICV project in Zibo, Shandong, a national pilot city for synergetic development of smart city infrastructure and ICVs (國家智慧城市基礎設施與智能網聯汽車協同發展試點城市). The project was launched in a local mountains park with driveways characterized by plenty of sharp bends, steep slopes and narrow roads. Due to the complex topographical conditions, the mountain driveways were designed in a complicated manner that combined both two-way and one-way traffics. Moreover, ICVs operated on such driveways included both high-speed sightseeing vehicles and low-speed vehicles playing various maintenance roles including road cleaning. All of the above factors had to be taken account for the intelligent scheduling of ICVs, in addition to the real-time tourist amounts, traffic conditions and levels of congestions, which thus imposed fairly highly technological requirements on the overall V2X autonomous driving solutions.

As such, the main purpose of our participation in the project was to support various technological processes involved in ICVs to enable their stable and efficient operations. Specifically, our core conversational AI technologies realized the speech-based scheduling of ICVs through empowering interactions between passengers and ICVs and between the cloud-based control center and ICVs, and our unified communication technologies facilitated the transmission of multimodal data between ICVs, roadside units and the cloud-based control center. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solution for the project:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, hardware components (ICVs, sensors, electronic, computing and networking devices, power piles, cables, roadside units, displays and accessories, etc.), maintenance, training, classified protection and testing services

Firstly, based upon the vehicles' performance ability and the actual topographical conditions, our technologies enabled the intelligent scheduling of ICVs from multiple aspects, ensuring that they followed the optimal routes intelligently planned to effectively avoid congestions, road hazards and on-going constructions, including:

- **Vehicle-to-Network (V2N) and Infrastructure-to-Network (I2N) Coordination.** Our unified communication technological capabilities enabled the high-speed transmission of a variety of signals including images, videos, voices and texts generated from on-board units, as well as the roadside units arranged by us, to the cloud-based control center, and also the transmission of cloud-based messages and signals from such control center back to on-board units, roadside units and intelligent stations. Our unified communication technological capabilities were crucial to the successful operation of ICVs, given that traditional communications technology supporting data transmission in singular medium form is not sufficient for high-speed transmission of multimodal data required in ICV-related scenarios;

- **Intelligent Scheduling of ICVs.** Our comprehensive core conversational AI technologies empowered the intelligent scheduling of ICVs primarily by enabling the intelligent speech interactions between ICVs and passengers. Specifically, our ASR technology could transcribe passengers' vocal commands and questions into texts for processing, and our NLP technology could then interpret the intent and extract salient details. Using this insight, in-vehicle functions would be accordingly executed. For instance, the technology allowed ICVs to conveniently respond to and follow passengers' voice instructions to pull over. With respect to complex requests, they would be routed to the control center for handling, and our ASR technology's capabilities of recognizing Zibo dialect facilitated agent seats' understanding local passenger's vocal commands. Additionally, our TTS technology allowed the control center to provide natural speech responses or instructions to ICVs in case where in-cabin collaboration was needed. Besides, our ASR and NLU technologies also enabled thorough quality assessment and assurance on the service processes of the control center, so that it could rigorously perform its control function for safety purpose;

- **Route Optimization.** In addition to our core conversational AI technologies, our general AI algorithms could analyze massive amounts of real-time traffic data and information to automatically generate optimized routes for ICVs, which ensured their safety when operated in the said complex topographical conditions; and

- **Integration of External Devices.** Besides our AI technologies, we also provided neighboring parks, shopping malls and businesses with access to the ICV management system through APIs based upon our unified communication technological capabilities, which allowed integration of external devices into the system, thus facilitating the formation of an interconnective and dynamic V2X ecosystem. For instance, external devices would be allowed to send ride requests, and signals would accordingly be sent to nearby vehicles to come to the requesting location.

Secondly, our core conversational AI technologies such as ASR, emotion recognition and NLU also enabled passenger-ICV interactions within the smart cockpit, allowing, for instance, ICVs to respond to and follow passengers' speech instructions to pull over. Such technologies even support recognition and understanding of Zibo dialect, which enriched ICVs' functionalities and the intelligent level of the whole autonomous driving system.

Besides, after the relevant information were collected and processed, the management-side interface tools enabled by our product engine technologies that we provided could allow detailed analysis of ICVs' operations through visualized roadmaps, as well as the remote configuration of stations and routes and management of various on-board and roadside devices. A latest screenshot of such an interface is set forth in the following graphic:

Notes:

(1) Basic column entrances, including smart intersections, unmanned shuttle buses and unmanned retail vehicles

(2) Basic information panel, including coverage area, smart road coverage, 5G network coverage and length of pilot route

(3) Intelligent roadside units management panel to remotely manage various roadside units

(4) Data monitoring panel, allowing real-time monitoring of mileage, operating duration and number of failures

(5) Detailed analysis of ICVs' operation status in the form of 3D visual maps

(6) ICV operation information panel, which realizes real-time monitoring of different models of ICVs, including number of ICVs in operation and operation duration, and allows comprehensive management of the same

As of the Latest Practicable Date, while the project was still ongoing and pending further implementation, our technologies had already successfully piloted 19 ICVs' operation on an over 20-kilometer route. Upon its completion, it is expected that the project will be expanded from the project zone into the whole municipal area in the future to empower more than 600 ICVs and provide intelligent transportation services for more than three million citizens. Since the exchange and transmission of information from equipment and software of various sources had to interact through the technological capabilities that we provided, we hence acted as the general contractor for the project. Through such projects we have strengthened our collaborations with our industrial partners in jointly serving the evolving business needs in the autonomous driving areas. As a number of other cities are also expected to introduce similar projects to their transportation systems in the near future given various favorable governmental policies encouraging pilot implementation of intelligent transportation schemes, we will attempt to further penetrate into V2X-related scenarios and grow our customer base in automotive and transportation. For instance, leveraging our success in the project in Zibo, we have newly participated in the establishment of a comprehensive V2X autonomous driving system located at the Mianyang Science & Technology City New Area, an open urban space. Through empowerment of the cloud-based control platform, among others, our technologies have been similarly facilitating ICVs capable of V2X-based autonomous operations, including real-time route planning and intelligent vehicle following, lane changing, vehicle avoidance and stop. As of December 31, 2023, our technologies had empowered one driverless bus and one driverless grocery truck operated across five stations within the Mianyang Science & Technology City New Area.

Telecommunications

We empower telecommunications companies through unified communications and AI-based empowerment of the communication tools and other value-added services that they offer to enterprises based on their cloud and network services as well as various other telecommunication resources. Delivered to telecommunications companies, our solutions allow various communication and management needs of the enterprises that have procured such communication tools and value-added services to be intelligently satisfied, while substantially lowering deployment and maintenance costs. Besides, by synergizing such telecommunications companies' services with our technologies to jointly serve their users, we are also able to expand the commercialization of our solutions. The number of customers to whom our solutions in telecommunications industry had been offered during the Track Record Period increased from 24 in 2021 to 28 in 2022, and further to 31 in 2023.

Case Study

Case Study 1: Cloud-Based Phone System Solutions

Enterprises' traditional communication and collaboration solutions involve a number of complications, including high initial deployment costs on switches and communication terminals, etc., a limited number of communication terminals enabled due to the switching capacity of switches deployed, additional working space occupied and costs on maintenance personnel, restricted forms of information transmitted via limited types of communication terminals, as well as the fact that employees will have to switch numbers when using mobile devices. Moreover, for large groups with wide geographical coverage, their decentralized communication and collaboration solutions usually suffer from fragmented deployment and ineffective management. We have thus delivered directly or indirectly to major telecommunications companies in China cloud-based internet phone system solutions mainly for the purpose of integrating multimodal information and various communication terminals for them to facilitate enterprises' communication needs. Realized primarily through our unified communication technologies, the solutions are added with value-added functions based upon our core conversational AI technologies and collaboration solutions that improve enterprises' work and communication efficiency. Such solutions' emphasis on information infrastructure and data protection ensures the security environment of the cloud hosted thereby while not compromising the cost-effective advantages of such solutions. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, language understanding, language generation, speech synthesis, product tools	software systems, maintenance services

The solutions have multiple advantages over traditional solutions. Being able to be easily deployed in multiple localities and on multiple devices, our cloud-based phone system solutions not only save users from investing heavily at the upfront for their communication equipment, but also necessitate no additional working space or maintenance personnel. See below for concrete examples of our unified communication technologies empowering the functionalities of such cloud-based phone systems:

- **Scalability of Communication Resources.** Our unified communication technological capabilities allow unlimited extensions of amount of terminals without additional installment or implementation costs incurred for users, thus satisfying enterprises' scalable communication demand; and

- **Integration of Multimodal Information and Devices.** Our unified communication technological capabilities also can realize the transmission of multimodal information (voices, videos and images, etc.) through multiple types of communication terminals including mobile phone, landlines and VoIP phones, and allow convenient interconnection with various applications on mobile phones and computers. Through straightforward and flexible allocation of phone number resources and tying the same to employees' mobile devices, each individual is able to be contacted easily both externally and internally and via different devices.

See below for the conversational AI empowerment of such cloud-based phone systems that further makes our solutions attractive:

- **Interactive Voice Response.** If an employee is occupied and unable to immediately address upcoming calls, he or she can activate the automated interactive voice response system enabled by our core conversational AI technologies. Specifically, our NLP technology helps understanding the caller's intent and, in combination with our TTS technology, navigates the caller through the menus and provides relevant responses through natural language. As such, this self-service functionality acts as a versatile tool to handle inbound calls and alleviates employees from repetitive, low-complexity calls when their availability is limited; and

- **Speech-Based Call Initiation.** Our ASR technology also enables employees to initiate calls hands-free by delivering voice instructions, which makes manual initiation that is time-consuming and cumbersome in enterprise-level settings unnecessary.

In addition to our unified communication and core conversational AI technologies, our product engine technologies facilitate the operation of such cloud-based phone systems primarily by realizing the configuration of communication procedures including automatic response and escalation to human interactions to further improve the deploying enterprises' communication efficiency.

Case Study 2: Intelligent Electronic Work Badge Solutions

A variety of enterprises face the common difficulty in effectively managing their employees (especially onsite employees involving in sales and marketing services, etc.) in relation to employment-related activities, and suffer from a lack of knowledge of their real-time performance. In contrast to agent seat personnel the quality assurance and assessment on whose services could be conducted relatively easily, enterprises' supervision and inspection on such employees oftentimes result in below-expectation outcomes due to limited inspection intervals and personnel coverage, notwithstanding the fact that they may have incurred substantial costs thereon, thus causing untimeliness and inefficiency in employee performance assessment, evaluation and improvement. Accordingly, we deliver directly or indirectly to telecommunications companies solutions where our core conversational AI technologies are bundled onto smart devices as compact and light intelligent work badges, mainly for the purpose of increasing visibility of employment-related activities and facilitating the standardized management of employees while helping users streamline monitoring costs in a conversational AI empowered manner. In addition, our unified communication technologies support the transmission of relevant information collected, such as voices and texts, to the backend for statistics and analysis purposes. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

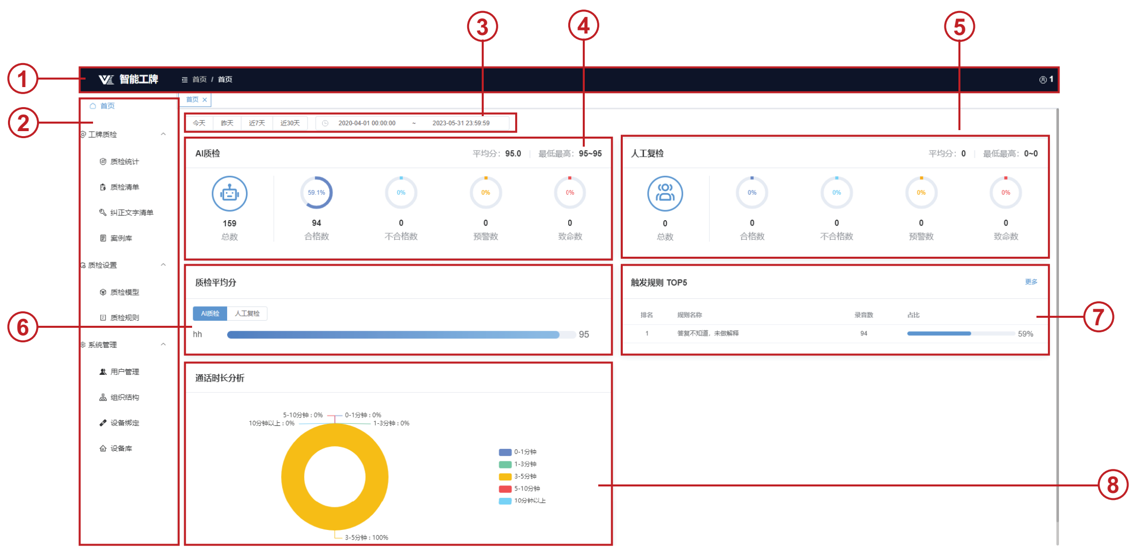
Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, product tools, workflow tools, knowledge graphs	software systems, maintenance services

In addition to their basic functions such as helping with documentation of customer basic information and sending task reminders, such intelligent work badges are empowered by our conversational AI technologies for users to effectively monitor the work performance of employees wearing them. See below for concrete examples of our core conversational AI technologies empowering the functionalities of such intelligent work badges:

- **Speaker Identification.** With our voiceprint recognition technology which accurately separates and extracts audio sources and ensures oriented collection, users can realize through the intelligent work badges audio recording of work-related activities in designated working areas with respect to employees who have signed to consent to wearing such badges. This application ensures that voices of the persons with whom an employee carrying the badge is interacting will not be wrongfully recorded; and

- **Performance Supervision.** Afterwards, our ASR technology can accurately transform such recordings into texts, the service quality indicated thereby is then completely and automatically assessed based upon our NLU and emotion recognition technologies against the pre-designed protocols on triggering expressions suggesting employment misconduct, underperformance or omission. The said technologies overcome enterprises' difficulties in tracking their employees' work-related verbal interactions in real-time, and provide additional insights for them to comprehensively assess and manage their employees' work quality, especially with respect to those who are constantly on-the-go outside the office. By capturing critical verbal exchanges, the application of our conversational AI technologies thus delivers transparency into remote employees' actions.

Further, our unified communication technologies enable the transmission of the recordings and transcripts to the backend. Additionally realized by our product engine technologies, our solutions provide visualizable employee performance reports illustrating the employees' performance level in each dimension including proactiveness, fluency, accuracy and compliance in their interactions with customers, and also intelligently suggesting improvements to be made, through interfaces. The following graphic is a screenshot of an interface displaying the quality assurance outcomes enabled by the intelligent work badges in a number of metrics including the overall distribution of the scores and specific protocols triggered, thereby allowing users to have a straightforward and holistic view of the service quality and major issues discovered with respect to their employees wearing such intelligent work badges:



Notes:

(1) Basic information, displaying the theme of the interface

(2) Integrated intelligent work badge management panel, including functions such as badge-enabled quality assessment and assurance, quality assessment and assurance settings, and systems settings

(3) Statistical cycle management panel, allowing managers to freely select the statistical cycle based upon the intelligent work badges deployed

(4) AI-enabled quality assessment statistics, providing information such as total volume conducted, qualification results and early warnings, and automatically generating assessment scores

(5) Human-based re-assessment statistics, if any, which can be compared by managers with the AI-enabled quality assessment results

(6) Display of the average score of AI-enabled quality assessment/human-based re-assessment

(7) Top five protocols triggered per analyzed

(8) Visualized statistical report of conversation durations

Finance

Leveraging our technologies, we also provide financial service-related solutions to financial institutions, primarily in telephone banking, for purposes such as telephone transactions, marketing, identification, and customer notification and consultation, thereby upgrading their customer services and promoting the comprehensive intelligent transformation of the finance industry. Additionally, we also offer solutions in service training that facilitate financial institutions' internal processes. The number of customers to whom our solutions in finance industry had been offered during the Track Record Period increased from 14 in 2021 to 34 in 2022, and further to 35 in 2023.

Case Study

Case Study 1: Intelligent Virtual Agent Solutions for Banks

Banks have always been at the forefront of endeavoring to provide exceptional customer services. Keeping up with the increasing demand of their customers, banks are oftentimes faced by substantial costs associated with operating and maintaining their customer service platforms, as well as varied quality of the services provided by their human agent seats due to substantial service pressures. Such factors may lead to a substandard customer experience, which could potentially damage their reputation and negatively impact their business. For purposes of overcoming these issues, we offer solutions based upon our core conversational AI technologies that feature intelligent virtual agents capable of intelligent conversational interactions with the callers/callees and leading them through the procedures. As part of our total solution offering, our unified communication technologies also realize the seamless switch to human agent seats for complex issues. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	**Key Solutions-Involved Elements**
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, knowledge graphs, product tools, workflow tools	software systems, maintenance services

See below for concrete technological steps involved in the service process of such intelligent virtual agents that can be empowered by our core conversational AI and unified communication technologies:

- **Voice Interactions.** Our comprehensive core conversational AI technologies enable the intelligent virtual agents to intelligently fulfill various functions in relation to telephone banking, such as queries, transaction instructions, marketing, identification and customer complaints. Specifically, our ASR technology transcribes customer queries from phone conversations to texts for processing, and our NLP technology comprehends these queries and extracts key details for responses. Empowered by these technologies, the intelligent virtual agents can automatically parse and process customers' voice or text inquiries, and provide quick response. These applications improve the efficiency of banks' customer service, since otherwise human agent sets would have to suffer from laboriously handling customers' specific needs, such as on account balances, funds transfer, transaction lookups and card services, etc. In situations where outbound communication is needed for purposes like payment reminders, our TTS technology allows intelligent virtual agents to automatically reaching out to customers conversationally over phone;

- **Sentiment Detection.** Moreover, our emotion recognition technology embedded ensures an accurate detection and understanding of the callers/callees' emotions by analyzing their voices, therefore providing them with contextualized responses and leading to a more thoughtful service process; and

- **Escalation to Human Agent.** In addition to our core conversational AI technologies, our unified communication technologies enable transferring calls smoothly to human agent seats in situations where the customers require additional assistance. Such human agent seats will in turn interact therewith based upon the pre-incorporated knowledge base, freely formulated scripts and seamlessly integrated backend operating systems. This transferability ensures that banks' can optimize their institutional resources to the extent possible, while not compromising their dedication to providing meticulous and in-human customer service.

In addition to our core conversational AI and unified communication technologies, our product engine technologies further enhance the functionalities of such intelligent virtual agents primarily by realizing (i) the configuration of service procedures applicable to specific service matters, such as bank account application, reporting loss of cards and balance check; and (ii) the establishment of a complete ticketing management platform that integrates the information collected from the intelligent virtual agents with the backend operating systems.

Case Study 2: Intelligent Employment Training Systems

When training prospective employees including agent seats for customer services, banks and other institutions are faced with the necessity for investing a great deal of expenditures due to the complicatedness of operating or services procedures related to financial institutions. Additionally, the difficulty in comprehensively covering massive training contents within limited time and the inability to view training results and issues in a clear and concise way usually compromise the training efficiency. For purposes of solving the issue, we have offered a number of banks intelligent employment training systems where intelligent virtual trainers empowered by our comprehensive core conversational AI technologies can automatically conduct the training process by interacting with the trainees, and evaluate their training performance. Upon completion of the training sessions, our unified communication technologies also enable the transmission of relevant audio and text data for analysis purposes. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, intelligent softswitch, speech recognition, emotion recognition, language understanding, language generation, speech synthesis, product tools, workflow tools	software systems, maintenance services

The intelligent employment training systems based upon our core conversational AI technologies can vividly simulate a variety of practical question-and-answer scenarios covering operational procedures, customer inquiries and enterprise value, where the trainees interact with the intelligent virtual trainers in a low-latency, noise-resistant manner. Specifically, during such interactions, our constantly optimizing ASR technology enables real-time recognition of the trainees' verbal responses with an accuracy rate up to 98%, so that they are able to go through a large deal of training materials per session and the training efficiency is improved. Our NLU technology enables deep semantic analysis of multiple rounds of conversations, which makes the training process substantive and interactive. To solve the issues with normal employee trainings carried out manually that tend to be monotonous and unengaging, which can easily lead to fatigue and loss of attention, our TTS technology helps generate diversified human-like timbres. This makes the whole training process livelier and more interestingly. Through converting text materials into diverse voice-based training contents, the application allows the trainees to learn in a relaxed and pleasant state, thus providing efficient training for the trainees to improve their adaptability to various business scenarios and performance level. Equipped with our solutions, the trainees can also conduct multiple rounds of simulation tests on a daily basis on the systems that we provide to reinforce their understanding of the training contents.

Upon completion of the training sessions, our unified communication technological capabilities support the automatic integration of the training recordings and transcripts, as well as the training process that the intelligent virtual trainers lead the trainees through, onto a visualized interface.

Enabled by our product engine technologies, the systems that we provide allow convenient formulation and adjustment of training procedures in a node-dragging manner according to the nature of the specific skills to be trained. Moreover, the training grade of each trainee could be intelligently generated based upon pre-determined grading mechanisms, such as adherence to scripts or procedures, emotional fluctuations, usage of keywords within the white/blacklist, and occurrences of non-mitigable errors with respect to customer service personnel, allowing the training managers to have a better idea of the training results while substantially saving training costs. At the same time, the trainees can also clearly view the training results which analyze and present their competencies and deficiencies. The following graphic is a screenshot of the aforementioned backend interface realizing straightforward review of the training process and convenient configuration of the same for the training managers, in addition to a number of other management functions:

Notes:

(1) Basic information, displaying manager account

(2) Different selectable panels, allowing management of each aspect of training systems

(3) The panel currently selected to be displayed, which can be freely switched

(4) Main panel displaying the visualized map of the whole training process for question-and-answer scenarios, which allows training managers to review the training contents went through by trainees at each node, as well as to formulate the training procedures, etc.

(5) Node-selection buttons, enabling training managers to configure nodes for the training process by specific functions

Other Industries

In addition to offering enterprise-level solutions in the aforementioned four key end-customer industries that we focus on and have accumulated rich industry know-how, engineering experiences and customer insights, we have been expanding the presence of our solutions into other industries such as the media, healthcare, E-commerce and retailing, etc., with common demand that can increasingly be empowered by conversational AI. For instance, based upon intelligent virtual agents powered by our technologies, we offer intelligent speech-based customer service solutions to media operators, medical device sellers and service providers, E-commerce platforms and consumer goods companies to facilitate their marketing and customer communication activities.

Case Study

Consumer goods companies facing stiffer competition nowadays increasingly adopt intelligent customer service platforms to establish loyalty programs that are able to cope with rising expectations by consumers engaging across different channels, such as apps and websites, on seamless digital experiences and on-demand support, as well as seasonal spikes in inquiries. We accordingly offered conversational AI-empowered membership management and service platform solutions to a globally leading beer giant that operates more than 200 beer brands. As one of the largest beer manufacturers and sellers in the world with complex retailing and marketing networks in China, the company regularly handles a vast volume of individual member interactions in China. Our solutions accordingly served its purpose of more efficiently engaging with its members, building loyalties and driving beer sales, while delivering top-notch services. Specifically, our core conversational AI technologies enabled interactions between intelligent virtual agents and the members, and our unified communication technologies realized the interfacing of multiple mobile user interfaces and applications with the platform. The following table sets forth the specific Voicecomm Suites applied in and the key elements involved in our solutions:

Voicecomm Suites	Key Solutions-Involved Elements
multi-media gateways, emotion recognition, language understanding, language generation, knowledge graphs, product tools, workflow tools	software systems, maintenance services

See below for concrete technological steps involved in the operation of the membership management and service platform that can be empowered by of our core conversational AI and unified communication technologies:

- **Member Interaction.** The intelligent virtual agents based upon our core conversational AI technologies embedded in the campaign management system assisted the company in delivering enhanced member engagement and services through intelligent interactions. Specifically, our NLU technology could understand members' textual requests and our NLG technology provided relevant answers or recommendations by referencing integrated data sources on order histories, loyalty points, product catalogs, among others. These applications thus fulfill membership management capabilities such as order inquiries, promotional activities and after-sale complaints. The self-learning abilities also allow the intelligent virtual agents to improve over time based on real conversations. The knowledge graphs tailored to the nature of the company's business that we integrated into the campaign management system helped human agent seats (to whom complex issues would be escalated seamlessly by the intelligent virtual agents) to handle a broad range of natural language queries. The query system based upon such knowledge graphs could be used to deeply analyze members' actual intent, and accordingly revert detailed results in response to their questions. Functioning coordinately, our above technologies not only optimized costs for the company by automating common requests but also delivered consistent and scalable member services; and

- **Data Integration.** Our unified communication technological capabilities allowed omni-channel access for members via a number of mobile user interfaces and applications of the company, as well as full integration of data through various other E-commerce platform-based membership systems. Such unification of multiple channels further drove member traffic and enhanced vibrancy of each system, where our unified communication technologies ensured that membership points and loyalty were accurately exchanged and accumulated.

In addition to our core conversational AI and unified communication technologies, our product engine technologies facilitated the operation of such membership management and service platform primarily by realizing (i) the configuration of communication procedures involving the intelligent virtual agents and human agent seats; and (ii) the workflow management of the work tickets generated across different departments to address members' various requests.

Like our solutions offered in other end-customer industries, we also provided intuitive interfaces for the company that could suggest a variety of actionable insights, including conversation volume, satisfaction rate, average turn of Q&As, average conversation length, and virtual-to-human escalation rate, etc. Our solutions thus unlocked the power of conversational AI on strengthening membership relationships for the company by enabling it to automate common member requests and scaling up membership service in a fast yet standardized way.

Others

During the Track Record Period, we also provided services for various subsidiaries of major telecommunications companies in China, which primarily included promoting its telecommunications terminals and other telecommunications resources and services by, among others, leveraging our conversational AI technologies that could assist the purchasers to realize a number of intelligent speech functions on their devices. For details of such a telecommunications company that also acted as our largest supplier in each year of the Track Record Period, see "– Suppliers and Procurement – Top Suppliers" in this section. We explored such business line with an aim to broaden our collaboration scope with the said telecommunications company, strength our commercial relationships therewith and solidify mutual cooperation in conversational AI-related scenarios. The salient terms and conditions of our agreements relating to such promotion services are set out below:

Service scope	We typically provide promotion services to facilitate the sales of telecommunications terminals and other telecommunications resources and services offered by our customers.
Pricing	Our customers will pay us channel marketing service fees based on our promotional performance.
Payment	Our customers shall pay the channel marketing service fees to us after our issuance of invoice.
Termination	Besides natural expiration upon the contractual term or by mutual consent, the agreement may also be terminated by our prior notification subject to contractual time restrictions or by either party due to the other's uncured breaches.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and not disclose to any third parties, which shall supersede the expiration or termination of the agreement.

Since we started to provide such promotion services in 2021, our revenue generated therefrom increased from RMB3.1 million in 2021 to RMB23.4 million in 2022, which was in line with our increased resources and efforts directed towards providing such promotion services at an initial stage. As our business is centered upon offering enterprise-level solutions, we consider providing such services as utilizable business opportunities to explore into other areas that could be empowered by our conversational AI technologies as well as tighten our relationships with major enterprise-level conversational AI participants. Going forward, we expect to flexibly adjust our engagement in such promotion services in a way that both addresses our customers' needs, commensurate with our strategic plan of overall business resources and further vitalizes a conversational AI ecosystem with such customers as important participants.

OUR REVENUE MODEL

During the Track Record Period, we generated our revenue on a project basis mainly from offering enterprise-level solutions enabled primarily by our technologies on unified communications and AI to our customers. Depending upon specific users' concrete needs, the extent to which a certain solution involves each category of technologies may vary. During the Track Record Period, core conversational AI technologies had been applied in most of our existing projects, and we also elected to offer solutions to customers currently only demanding the realization of unified communications with a goal to further upsell core conversational AI technologies. To the best knowledge of our Directors, our projects that applied core conversational AI technologies contributed to approximately 89%, 89% and 92% of our revenue generated from offering enterprise-level solutions in 2021, 2022 and 2023, respectively. As the record of core conversational AI technologies being discretionarily applied after implementation is documented within the enterprise-level users' own systems, historical data regarding the frequency at which such technologies were applied in the relevant projects are unavailable from our end and inherently contingent upon the conversation volumes involved, which can vary significantly across diverse scenarios of different end-customer industries. For instance, a high-traffic customer service application in the finance industry may experience substantially higher usage frequencies compared to a specialized application in fire police hotlines.

We have recently piloted our conversational AI "12345" hotline solutions in certain cities so as to enhance the service quality and enable sufficient interconnectivity of local "12345" hotlines. In the cities where our solutions are implemented, all calls received on "12345" hotlines are processed with our core conversational AI technologies. For more details, see "Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 2: Conversational AI "12345" Hotline Solutions" in this prospectus. We have obtained the usage frequency data of our conversational AI "12345" hotline solutions from our customers. The table below sets forth the daily call volumes processed with our comprehensive core conversational AI technologies, ranging from ASR, NLU, NLG, TTS to emotion recognition, to realize intelligent interaction, quality assurance and inspection and feedback collection, among others, handled through certain "12345" hotlines recently launched or upgraded:

City	Call Volumes Processed with Our Core Conversational AI Technologies During a Specific Day	Date
A city in Henan Province	1,899	April 11, 2024
A city in Henan Province	4,347	April 13, 2024
A city in Shaanxi Province	3,631	April 12, 2024
A city in Yunnan Province	2,404	April 8, 2024
A city in Guizhou Province	1,894	April 12, 2024
A city in Guizhou Province	1,456	April 12, 2024

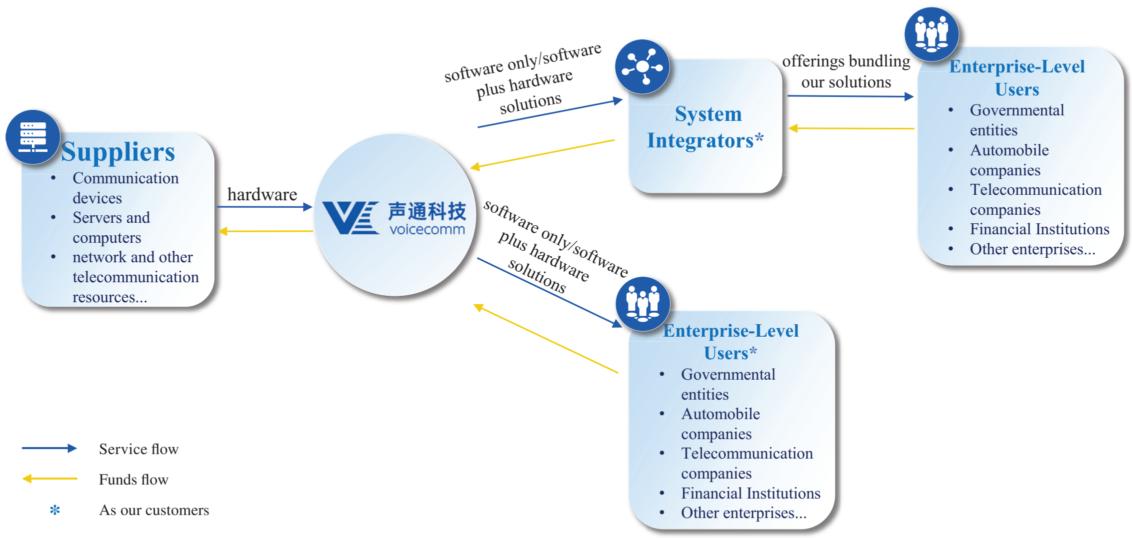
Our continuous service of enterprise-level users and penetration into our key end-customer industries for decades have enabled us to thoroughly understand the common demand of such users and hence to develop and optimize Voicecomm Suites realizing solutions that feature high level of modularization and standardization. The modularization and standardization of our solutions ensure cost efficiency in both enterprise-level users' deployment of our solutions and our offerings of the same. From enterprise-level users' viewpoint, standardized Voicecomm Suites enabling our solutions essentially operate as a menu through which they may pay only for the specific functions needed, which not only makes the pricing transparent but also reduces their total cost of ownership as well as operation and maintenance costs. Besides, the modularization and standardization of our solutions also allow us to readily replicate and adjust our solution offerings in similar application scenarios, therefore shortening the development and implementation cycle and contributing to our promising profit levels once economies of scale are achieved. The following table sets forth a breakdown of our total revenue by offering categories:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Enterprise-level solutions	456,871	99.3	491,641	95.5	801,060	98.5
Others*	3,064	0.7	23,351	4.5	11,957	1.5
Total	**459,935**	**100.0**	**514,992**	**100.0**	**813,017**	**100.0**

Note:

* Primarily related to promoting products empowered by our conversational AI technologies for our customers, from which we generated revenue

The following diagram illustrates our revenue model as well as the service flow and funds flow in relation to our solutions:



Specifically, our customers for our solutions during the Track Record Period included: (i) system integrators that embedded our solutions into their offerings to enterprise-level users; and (ii) enterprise-level users that used our solutions directly. The following table sets forth a breakdown of our revenue generated from offering solutions by customer types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue from						
– *System integrators*	381,101	83.4	378,897	77.1	638,528	79.7
– *Enterprise-Level users*	75,770	16.6	112,744	22.9	162,532	20.3
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The solutions that we offered during the Track Record Period consisted of: (i) software only solutions; and (ii) software plus hardware solutions in which we integrated our software systems with hardware devices, network and other telecommunication resources, and/or other services (if needed), etc., procured from suppliers as part of our total solutions. The software plus hardware solutions are usually required in order to avoid issues during the operation and maintenance of the systems, such as difficulty in faults identification, or when a single module's upgrade affects the operation of other modules, etc. Customers can determine the specifications of the solutions to be purchased from us and the delivery method based on their needs. The following table sets forth a breakdown of our revenue generated from offering solutions by solutions types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	85,447	18.7	162,548	33.1	282,980	35.3
Software plus hardware solutions	371,424	81.3	329,093	66.9	518,080	64.7
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The following table sets forth a breakdown of our gross profit generated from offering solutions by solution types, in absolute amounts and in terms of gross profit margin for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	76,467	89.5	149,468	92.0	229,996	81.3
Software and hardware solutions	86,661	23.3	59,707	18.1	95,134	18.4
	163,128	**35.7**	**209,175**	**42.5**	**325,130**	**40.6**

During the Track Record Period, we generated an increasing amount of revenue from our software only solutions, which also took up an increasing portion in our total revenue, mainly due to that (i) it is our increasingly heightened focus to scale up offering such solutions of higher margins in order to enhance our competitive positioning while expanding profit pools through the maturation and accumulation of our technologies. As we establish and enhance our market presence, we have gradually adopted the strategy that prioritizes offering software only solutions in projects in which customers do not specifically demand software plus hardware delivery or where there is no concrete scenario-specific benefit for doing so, provided that this priority would not affect our acquisition of such customers; and (ii) the continuous expansion of our customer bases who typically purchased from us software plus hardware solutions to firstly establish their communication platforms affords us the opportunities to up-sell software only solutions later to further diversify and enhance their unified communications and AI capabilities.

As certain customers may have specific demand on functionalities that are incidental to our technologies, we from time to time externally purchased software and/or services on developing project-specific software to enable offering total solutions on a one-stop basis during the Track Record Period. Since we focus our business on delivering values to enterprise-level users primarily based upon our technologies, such externally purchased software and/or software-development services took up a limited percentage of our cost of revenue in each year of the Track Record Period. For details, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Cost of Revenue" in this prospectus. The following table sets forth a breakdown of our revenue generated from software only solutions enabled solely by our technologies and those that incorporated externally purchased software and/or software-development services for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions						
– *Enabled solely by our technologies*	72,385	84.7	154,456	95.0	219,777	77.7
– *Including externally purchased software and/or software-development services*	13,062	15.3	8,092	5.0	63,203	22.3
Total	**85,447**	**100.0**	**162,548**	**100.0**	**282,980**	**100.0**

Our revenue generated from software only solutions that incorporated externally purchased software and/or software-development services fluctuated in each year of the Track Record Period, reflecting the contingent nature of the accessory functionalities demanded the relevant customers in each year. By contrast, our revenue generated from software only solutions enabled solely by our technologies increased continuously during the Track Record Period, which was consistent with the general trend of our revenue growth and also took up the major portion of our revenue generated from software only solutions. Our revenue generated from software only solutions enabled solely by our technologies contributed to a less percentage of our revenue generated from software only solutions in 2023, primarily due to the fact that we participated in certain projects that involved the purchase of functionally specific platforms supplementary to our technologies and accordingly generated a greater amount of revenue during the same period. Specifically, we primarily purchased externally for certain platforms for data analytic and management, and vehicle inspection to offer the relevant IoV solutions, as well as that for human resource maintenance to offer the relevant intelligent administration solutions, in each case on a one-stop basis.

During the Track Record Period, we generated our revenue primarily from providing our solutions in a number of end-customer industries, mainly including city management and administration, automotive and transportation, telecommunications, and finance. The following table sets forth a breakdown of our revenue generated from offering solutions by end-customer industries, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
City management and administration	165,075	36.1	192,734	39.2	321,239	40.1
Automotive and transportation	81,251	17.8	83,393	17.0	191,077	23.9
Telecommunications	68,385	15.0	91,782	18.7	173,976	21.7
Finance	96,051	21.0	79,745	16.2	84,530	10.5
Other industries	46,109	10.1	43,987	8.9	30,238	3.8
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

For details of the period to period comparison of our results of operations, see "Financial Information" in this prospectus.

OUR PROJECT

Top Projects

The following table sets forth the particulars of our five largest projects during the Track Record Period and up to the Latest Practicable Date that had been completed as of the same date in terms of contract sum:

Project Code	Customer	Project Type	Solution Descriptions	Duration	Contract Sum	Percentage of Revenue Contribution during the Track Record Period		
						Year Ended December 31,		
						2021	2022	2023
					RMB'000	%	%	%
Project No. 7	Customer L*	Software plus hardware solutions in city management and administration, including maintenance services	Establishing Intelligent contact centers for energy management	Since May 2023 and completed on November 1, 2023	60,233	–	–	6.7
Project No. 1	Customer A*	Software plus hardware solutions in automotive and transportation, including maintenance services	IoV communication service platform for a Shandong-based automobile manufacturer	Since October 2019 and completed on November 24, 2021	44,681	8.6	–	–
Project No. 2	System integrator and subsidiary of a Beijing-based company providing science and technology promotion and application services, including to apartment management companies, with a registered capital of RMB10 million	Software plus hardware solutions in other industries, including maintenance services	Intelligent online management and mobile service platforms for apartment management companies	Since August 2021 and completed on July 31, 2022	40,531	2.9	4.4	–
Project No. 3	Customer B*	Software plus hardware solutions in telecommunications industry, including maintenance services	Conversational AI-empowered communication terminals and relevant intelligent backend management platform delivered to a major telecommunications company for it to provide intelligent communication services	Since December 2020 and completed on August 8, 2022	39,816	2.7	0.3	–
Project No. 4	Customer F*	Software plus hardware solutions in finance industry, including maintenance services	Intelligent customer service platform for a Beijing-based bank	Since September 2019 and completed on October 29, 2021	33,720	6.5	–	–

Note:

* For details of our customers, see "– Customers and Customer Support – Top Customers" in this section.

The following table sets forth the particulars of our five largest projects during the Track Record Period and up to the Latest Practicable Date that had been ongoing as of the same date in terms of contract sum:

Project Code	Customer	Project Type	Solution Descriptions	Duration	Contract Sum	Percentage of Revenue Contribution during the Track Record Period		
						Year Ended December 31,		
						2021	2022	2023
					RMB'000	*%*	*%*	*%*
Project No. 6	A group of local system integrators and enterprise-level users(1)	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	N/A(2)	26.4	24.9	16.6
Project No. 8	Customer M(3)	Software plus hardware solutions in city management and administration, including maintenance services	Establishing intelligent administrative platforms for certain governmental entities in Shanghai	Since March 2023	46,680	–	–	4.7
Project No. 10	Enterprise-level user and a Shandong-based state-owned company providing software and information technology services, including IoT-related technologies, with a registered capital of RMB0.1 billion	Software plus hardware solutions in automotive and transportation, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – Automotive and Transportation – Case Study – Case Study 2: ICV Project in Zibo" in this section.	Since August 2022	37,564	–	–	–
Project No. 18	System integrator and a Shanghai-based company providing computer system integration and other information technology services involving communication terminals and software, with a registered capital of RMB10 million	Software plus hardware solutions in city management and administration, including maintenance services	Digitalization of a shopping plaza-based business circle in Nanjing by establishing intelligent communication platforms	Since June 2023	25,441	–	–	1.0
Project No. 19	Customer A(3)	Software only solutions in automotive and transportation, including maintenance services	Intelligent speech-based customer service systems for automobile companies	Since April 2023	19,805	–	–	–

Notes:

(1) Our participation in the project entails the establishment of a digitalized technological infrastructure for an intelligent town cluster where the administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one public service platform. The large scale and complexity of the project hence necessitate empowering a wide array of local companies and entities through our solutions to cover the breadth of the required domain expertise. As such, we transacted with 14 local system integrators equipped with diverse resources and expertise during the Track Record Period to facilitate and scale up solution deployment, in addition to enterprise-level users that use our solutions directly, thus allowing tailored solutions for the varied needs within the intelligent town cluster in an efficient manner per the project timeline. This approach lifts the burden of single-handedly manage delivery to each enterprise-level user across the entire project and therefore enables us to focus on our core strengths in solution development. According to the iResearch Report, it is market practice for a conversational AI solution provider to transact with multiple system integrators and/or enterprise-level users in order to serve such type of municipal level intelligent infrastructure and implement smart community projects of this magnitude. Due to its municipally complex and extensive nature comprising hundreds of towns in contrast to our other projects involving solutions offered to any single organization or enterprise, we derived a significant portion of revenue from the project, which contributed 26.4%, 24.9% and 16.6% of our total revenue in 2021, 2022 and 2023, respectively. Comparatively, the other projects we engaged during the Track Record Period were smaller in scale. Based upon the term of the contract with the latest expiration date among the ongoing agreements that we entered into with the said group of local system integrators and enterprise-level users as of the Latest Practicable Date, the project is expected to be completed on November 11, 2025. For details of the risks related thereto, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – We derived a significant portion of revenue from our intelligent town project in Chengdu during the Track Record Period" in this prospectus.

(2) The project involves the use of agreements in which the exact contract sum is not stated therein and we settle with the respective customer through the actual amount of orders made by it, based on which as of the Latest Practicable Date such project is ranked into the table above.

(3) For details of our customers, see "– Customers and Customer Support – Top Customers" in this section.

The following tables set forth the particulars of our five largest projects in terms of revenue contribution in each year of the Track Record Period:

For 2021

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[1]	Year Ended December 31,					
							2021		2022		2023	
							Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]	Revenue recognized	Gross Profit Margin[2]
						RMB'000	RMB'000	%	RMB'000	%	RMB'000	%
Project No. 6	A group of local system integrators and enterprise-level users[3]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	Ongoing	N/A[4]	121,415	17.3	128,489	21.8	134,793	25.5
Project No. 1	Customer A[5]	Software plus hardware solutions in automotive and transportation, including maintenance services	IoV communication service platform for a Shandong-based automobile manufacturer	Since October 2019	Completed on November 24, 2021	44,681	39,746	34.0	–	–	–	–
Project No. 4	Customer F[5]	Software plus hardware solutions in finance industry, including maintenance services	Intelligent customer service platform for a Beijing-based bank	Since September 2019	Completed on October 29, 2021	33,720	–	–	29,956	23.9	–	–
Project No. 2	System integrator and subsidiary of a Beijing-based company providing science and technology promotion and application services, including to apartment management companies, with a registered capital of RMB10 million	Software plus hardware solutions in other industries, including maintenance services	Intelligent online management and mobile service platforms for apartment management companies	Since August 2021	Completed on July 31, 2022	40,531	13,443	25.1	22,509	10.8	–	–
Project No. 3	Customer B[5]	Software plus hardware solutions in telecommunications industry, including maintenance services	Conversational AI-empowered communication terminals and relevant intelligent backend management platform delivered to a major telecommunications company for it to provide intelligent communication services	Since December 2020	Completed on August 8, 2022	39,816	12,488	92.5	1,770	51.9	–	–

For 2022

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[(1)]	Year Ended December 31, 2021 Revenue recognized	2021 Gross Profit Margin[(2)]	2022 Revenue recognized	2022 Gross Profit Margin[(2)]	2023 Revenue recognized	2023 Gross Profit Margin[(2)]
						RMB'000	RMB'000	%	RMB'000	%	RMB'000	%
Project No. 6	A group of local system integrators and enterprise-level users[(3)]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	Ongoing	N/A[(4)]	121,415	17.3	128,489	21.8	134,793	25.5
Project No. 2	System integrator and subsidiary of a Beijing-based company providing science and technology promotion and application services, including to apartment management companies, with a registered capital of RMB10 million	Software plus hardware solutions in other industries, including maintenance services	Intelligent online management and mobile service platforms for apartment management companies	Since August 2021	Completed on July 31, 2022	40,531	13,442	25.1	22,509	10.8	–	–
Project No. 5	Customer B[(5)]	Software plus hardware solutions in telecommunications industry, including maintenance services	Intelligent security management platform delivered to a major telecommunications company for it to provide value-added services	Since November 2022	Completed on December 1, 2022	24,748	–	–	22,190	28.2	–	–
Project No. 14	Customer A[(5)]	Software only solutions in automotive and transportation, including maintenance services	IoV management systems for automobile companies	Since November 2022	Completed on November 10, 2022	15,600	–	–	13,875	100.0	–	–
Project No. 15	Enterprise-level user and a Shanghai-based travel agency providing a comprehensive range of travel products and services, with a registered capital of RMB10 million	Software plus hardware solutions in automotive and transportation, including maintenance services	Intelligent travel consulting and sales service platform	Since October 2022	Completed on October 31, 2022	12,605	–	–	11.302	51.9	–	–

For 2023

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum[(1)]	Year Ended December 31,					
							2021		2022		2023	
							Revenue recognized	Gross Profit Margin[(2)]	Revenue recognized	Gross Profit Margin[(2)]	Revenue recognized	Gross Profit Margin[(2)]
						RMB'000	*RMB'000*	%	*RMB'000*	%	*RMB'000*	%
Project No. 6	A group of local system integrators and enterprise-level users[(3)]	Software plus hardware solutions in city management and administration, including maintenance services	For details of our solutions offered for the project, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration – Case Study – Case Study 1: Intelligent Town Project in Chengdu" in this section.	Since October 2018	Ongoing	N/A[(4)]	121,415	17.3	128,489	21.8	134,793	25.5
Project No. 7	Customer L[(5)]	Software plus hardware solutions in city management and administration, including maintenance services	Establishing Intelligent contact centers for energy management	Since May 2023	Completed on November 1, 2023	60,233	–	–	–	–	54,070	13.1
Project No. 8	Customer M[(5)]	Software plus hardware solutions in city management and administration, including maintenance services	Establishing intelligent administrative platforms for certain governmental entities in Shanghai	Since March 2023	Ongoing	46,680	–	–	–	–	38,005	1.8

Project Code	Customer	Project Type	Solution Descriptions	Duration	Status as of the Latest Practicable Date	Contract Sum(1)	Year Ended December 31, 2021 Revenue recognized	2021 Gross Profit Margin(2)	2022 Revenue recognized	2022 Gross Profit Margin(2)	2023 Revenue recognized	2023 Gross Profit Margin(2)
						RMB'000	RMB'000	%	RMB'000	%	RMB'000	%
Project No. 9	System integrator and a Jiangsu-based company providing construction services, information system integration and other technology services, with a registered capital of approximately RMB7.1 million	Software plus hardware solutions in automotive and transportation, including maintenance services	Intelligent transportation management and service platform	Since December 2022	Completed on December 20, 2023	32,134	–	–	–	–	28,455	15.4
Project No. 19	System integrator and a Shanghai-based company providing computer information system integration and other development, consultation and transfer services in related to information technology, with a registered capital of RMB10 million	Software plus hardware solutions in automotive and transportation, including maintenance services	Intelligent monitor and communication systems for ships	Since April 2023	Completed on December 1, 2023	28,000	–	–	–	–	25,008	22.1

Notes:

(1) For each completed project, the discrepancies between the contract sum and the total revenue generated were resulted from the exclusion of VAT.

(2) The gross profit margin for each project is calculated based upon costs that are directly related thereto, without considering fixed costs such as employee benefit expenses or depreciation and amortization, etc.

(3) Our participation in the project entails the establishment of a digitalized technological infrastructure for an intelligent town cluster where the administration, production and service activities, healthcare, security and educations, etc., of more than 200 towns are being unified and integrated into one public service platform. The large scale and complexity of the project hence necessitate empowering a wide array of local companies and entities through our solutions to cover the breadth of the required domain expertise. As such, we transacted with 14 local system integrators equipped with diverse resources and expertise during the Track Record Period to facilitate and scale up solution deployment, in addition to enterprise-level users that use our solutions directly, thus allowing tailored solutions for the varied needs within the intelligent town cluster in an efficient manner per the project timeline. This approach lifts the burden of single-handedly manage delivery to each enterprise-level user across the entire project and therefore enables us to focus on our core strengths in solution development. According to the iResearch Report, it is market practice for a conversational AI solution provider to transact with multiple system integrators and/or enterprise-level users in order to serve such type of municipal level intelligent infrastructure and implement smart community projects of this magnitude. Due to its municipally complex and extensive nature comprising hundreds of towns in contrast to our other projects involving solutions offered to any single organization or enterprise, we derived a significant portion of revenue from the project, which contributed 26.4%, 24.9% and 16.6% of our total revenue in 2021, 2022 and 2023, respectively. Comparatively, the other projects we engaged during the Track Record Period were smaller in scale. Based upon the term of the contract with the latest expiration date among the ongoing agreements that we entered into with the said group of local system integrators and enterprise-level users as of the Latest Practicable Date, the project is expected to be completed on November 11, 2025. For details of the risks related thereto, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – We derived a significant portion of revenue from our intelligent town project in Chengdu during the Track Record Period" in this prospectus.

(4) The project involves the use of agreements in which the exact contract sum is not stated therein and we settle with the respective customer through the actual amount of orders made by it.

(5) For details of our customers, see "– Customers and Customer Support – Top Customers" in this section.

The gross profit margin level of each of our projects is inherently dependent on the concrete software-and-hardware composition ratio of the solutions that we provide therein. Overall, gross profit margins for our projects realized through software only solutions are higher than those realized through software plus hardware solutions. With respect to our projects realized through software plus hardware solutions in specific, the amount of hardware purchased by our customers largely depends on the specific hardware types required by the solutions as applied in the particular scenarios. If the hardware involves servers, operating systems and other hardware deployed on the server side that are relatively confined by fixed versions, our customers may procure a considerable portion of the same by themselves. If the hardware is more terminal side-oriented, such as sensors, mobile devices, IoT devices, cameras, etc., as these hardware versions upgrade rapidly, there could be issues with software compatibility. Specifically, software systems in relation to our Voicecomm Suites such as that on unified communication, speech recognition and language processing need to be deeply embedded into such devices and adapted based on their operating system upgrades to provide compatible services. To ensure overall service quality post-delivery and avoid compatibility issues caused by version upgrades, our customers typically prefer purchasing both software and hardware in an integrated fashion in such solutions, thus resulting in the relatively substantial hardware procurement amount and lower gross profit margin level.

As to a particular project realized through software plus hardware solutions, its gross profit margin level in different years could additionally be affected by the fact that the customer may purchase different items from us in batches. For example, it is common for our customers to firstly procure hardware as an preparation for subsequently building conversational AI capabilities, and then concentrate on purchasing software systems. It is primarily due to this reason that the gross profit margin for project No. 8, an ongoing project as of the Latest Practicable Date, temporarily amounted to 1.8% in 2023, and we expect that the gross profit margin for the project will normalize towards a typical software plus hardware solution level around 20% upon completion when software systems have subsequently been purchased by the customer. In addition, after the said process, our customers may further purchase additional hardware and software at the same time due to their business expansion and increased communication needs, which can lead to drastic fluctuations of gross profit margins for the same project across different years. It is primarily due to this reason that the gross profit margins for project No. 3 fluctuated materially during the Track Record Period. Specifically, its gross profit margin amounted to 92.5% in 2021, during which year the customer concentrated on purchasing software systems after having procured hardware during the previous year, and then decreased to 51.9% in 2022. Moreover, with respect to projects in which the customers purchase software plus hardware solutions with a substantial amount of mobile devices, it is common for them to firstly purchase integrated backend service platform, and then concentrate on procuring mobile devices embedded with our software plug-ins featured by a relatively lower gross profit margin level. It is primarily due to this reason that the gross profit margin for project No. 2 decreased considerably from 25.1% in 2021 to 10.8% in 2022.

When it comes to our projects realized through software only solutions, their gross profit margins are primarily affected by: (i) software purchase volume, which impacts the per unit software price; and (ii) the types and diversities of Voicecomm Suites specifically required by the customers. As noted earlier, the gross profit margin for each top project listed above is calculated based upon costs that are directly related thereto, without considering fixed costs such as employee benefit expenses or depreciation and amortization, etc. As a result, the project-based gross profit margin for project No. 14, which was realized through our software, amounted to 100% in the relevant years.

Based upon the foregoing, the gross profit margins of the aforementioned top projects are essentially not comparable, and the gross profit margin level of a given project in different years may not necessarily be indicative of the overall level. However, the gross profit margin for our software only solutions and software plus hardware solutions as a whole remained relatively stable, respectively, during the Track Record Period. Moreover, primarily driven by the increase in our offerings of higher-margin software systems within our solutions and the increased level of modularization and standardization of our solutions, our overall gross profit margin improved continuously during the Track Record Period, increasing from 33.1% in 2021 to 39.1% in 2022, and further to 40.0% in 2023. For details, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Gross Profit and Gross Profit Margin" in this prospectus.

Project Backlog

The following table sets forth the movement of the number of our projects in each year of the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From January 1, 2024 and up to the Latest Practicable Date
	2021	**2022**	**2023**	
Number of ongoing projects at the beginning of the year/period	64	60	84	150
Add: Number of newly awarded projects	204	197	298	151
Less: Number of projects completed	208	173	232	106
Number of ongoing projects at the end of the year/period	60	84	150	195

The following table sets forth the rolling backlog of our projects by outstanding contract sum in each year of the Track Record Period and up to the Latest Practicable Date:

	Year Ended December 31,			From January 1, 2024 and up to the Latest Practicable Date
	2021	**2022**	**2023**	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Outstanding balance at the beginning of the year/period	324,582	297,884	382,476	500,850
Add: Contract value of newly awarded projects	476,136	625,401	1,013,744	473,415
Less: Revenue (VAT inclusive) recognized during the year/period*	502,833	540,809	895,370	405,281
Outstanding balance at the end of the year/period	297,884	382,476	500,850	568,983

Note:

* As the contract value according to the agreement is inclusive of VAT, for the purposes of calculating the project backlog, the revenue recognized during the relevant year/period also includes VAT.

OUR TECHNOLOGIES

Unified Communication Technologies

Unified communications refer to a mode of communications that integrates computer technologies with traditional communication technologies, which require the unified transmission of multi-media communications as of communications protocols, and interfaces to integrate with information from operating software as of communication routing. It realizes the connection and integration of multi-standard communication methods through gateways, and provides full operational support covering audios, videos, data and multimedia, etc., thereby enhancing the level of communication flexibility and efficiency. Unified communications rely fundamentally on the capabilities of integrating and harmonizing multiple communication protocols governing different medium forms, whose adaptability to network environments varies. Such harmonization allowing transmission of multi-media and interactions of software systems are usually challenging in a conversational scenario. For instance, each piece of communication transmits multimodal data consisting of not only audios but also texts, images and videos, etc. In addition, unified telecommunications also allow the direct interconnection between information from communication software and operating software. Moreover, the software applied has to enable an effective control the initiation and termination of the conversation and scheduling of the traffic of such data transmissions. Additional considerations have also to be taken with respect to functions such as disaster recovery, redundancy backups and automatic switches in the process of establishing a unified communication system.

The foregoing entails numerous technological details and impose significant technological requirements on the software engineering capabilities, which falls within our realm of strengths owing to our strong unified communication technological capabilities. Notably, our unified communication technologies support the three major international CTI protocols, i.e., TAPI, TSAPI and CSTA, and the three major types of signal communication methods, i.e., analog transmission, digital transmission and SIP-based communications. Through nearly 20 years' research and development, the communication channels that we are able to unify have expanded from online chat, SMS, VoIP phone, WeChat and smart phone, as well as traditional channels to those from the IoV-end and IoT-end, which has made us a leader in the area. Leveraging our unified communication technological capabilities in a way that synchronizes with the trend of organizations' digital and intelligent transformation, we are able to help them establish a softswitch platform that integrates traditional public switched telephone network with mobile, data and other networks into an overall, unified and multi-service network based on IPs, where there is no need to deploy media switching hardware and communication channels integrated are intelligently routed, therefore facilitating them to efficiently manage and utilize their communication resources. For example, when receiving a call from service hotlines, our communication software can integrate with the CRM system to retrieve the caller's historical service information, thereby selecting proper service personnel and plan, realizing personalized services, and creating fresh new interactive experiences for users of our communication software.

Our unified communication technological capabilities, as showcased by the successful commercialization of our enterprise-level solutions offered to a wide range of end-customer industries, derive essentially from our focused efforts exploring and developing unified communication technologies for decades and the extensive capabilities formed during the same process. Our founder, Chairman and executive Director, Mr. Jinghua TANG, began to conduct research and development on unified communication technologies such as the CTI technology, i.e., integrating and combining the functionality of PCs and desktop phones to manage call operations synchronously, and enabling users to manage any call operation either using their phones or PCs, as early as 2002. Since our Company was founded in 2005, unified communications and their applications in different scenarios have continued to be a key area of our research and development, and we are among the earliest in China focus on the area, which makes us understand communication protocols more deeply and carry out related software engineering more proficiently.

AI Technologies

Our AI technologies concentrate on effectively supporting multiple rounds of industry-oriented conversations with natural flow and the whole interactive process from sound collection, recognition, knowledge graph retrieval to speech synthesis and output being able to be completed on a hundred millisecond basis. In light of the enterprise-level nature of the users of our solutions, our AI technologies are being developed following a technological pathway that emphasizes on accuracy and professionality of interactions enabled thereby with available training data samples. As such, our AI technologies such as ASR, emotion recognition, knowledge graphs, NLU, NLG and TTS are based upon AI models that are designed, trained and optimized under our self-supervised leaning framework according to specific scenarios faced by users in different end-customer industries, which can also be adjusted for any special requirements. In addition to our completely AI technologies, we have developed a self-adaptive algorithm engine that is able to automatically switch among algorithms and apply the most optimal one for the specific conversational format and scenario. Highlights of the same are set forth below:

- **ASR.** Our ASR technology allows high-performance and real-time conversion of human speech into computer-processable inputs. Compatible with the speech inputs of multiple languages, our ASR technology's accuracy rates for recognizing a variety of foreign languages such as English, Vietnamese and Thai, etc., as well as Chinese dialects also lead ahead the industry average. For instance, the accuracy rate for recognizing the dialect from Anyang, Henan has reached 95.2%, based on our existing testing.

- **Emotion Recognition.** Based upon our algorithms extracting acoustic features from speech signals, such as tone, volume and speed, we also have emotion recognition technology that specifically processes and analyzes emotions of the speaker and categorizes them into types such as happiness, anger, sadness and anxiety, etc. Through analyzing speech signals in a sequential manner, our technology is able to identify fluctuations and trends of emotions manifested in the conversation, and analyze the emotional status of the speaker in different time intervals, based upon which feedback and/or recommendations could be given intelligently as needed in specific conversational scenarios, such as those related to customer services.

- **Knowledge Graphs.** Our knowledge graphs are a set of intelligent knowledge management and application systems featuring graphical organization and presentation of, and structural storage of and interrelationships between, knowledge related to different business operations, as well as automatic reasoning and recommendation. Based on semantic webs which use knowledge fusion and entity alignment technologies to form semantic entities as information nodes describing instances and concepts, a visualized network diagram is formed to describe the interlocking relationships between information nodes. Our technology is able to automatically discover new knowledge and interrelationship between knowledge, and intelligently analyze connections and attributes within the graphs, so as to come up with individualized knowledge recommendation and analysis results concerning cued connections. For example, when faced with users' queries, the query system based on our knowledge graphs can be utilized to deeply analyze the query intention of users, and revert with accurate and comprehensive result information, which has huge application potentials in addressing users' query needs. Leveraging our continuous service for different end-customer industries for decades, we are able to develop industry-tailored knowledge graphs for different users.

- **NLU.** Our NLU technology realizes the intelligent analysis of texts by understanding logics and semantic structures in natural language interactions. Specifically, it enables functions including lexical and syntactic analysis (constructing a syntax tree through the identification, disambiguation, word segmentation and relationship establishment, etc., with respect to structures of phrases and sentences), extraction and classification of specific entities (of names of individuals, places and organizations, etc.), semantic extraction, i.e., intelligently extracting relationships between the entities, and reference removal that accurately identifies the referent in a sentence to ensure consistent interpretation. Leveraging voluminous industry-specific insights in serving of our key end-customer industries for decades, we have developed industry-tailored natural language algorithms that have high re-use values to empower future projects. Notably, our natural language algorithms support rapidly trainings based upon different languages through solid learning of local language materials, which can then be efficiently put into our natural language-related functional modules for use and thus substantially enhances our engineering capabilities of globally implementing our solutions.

- **NLG.** Our NLG technology can generate natural language texts based upon our algorithms and models. In addition to being applied in human-machine interaction-related scenarios where texts could be automatically and intelligently generated for making responses, the technology also supports generation of summary accounts through processing and analyzing large-volume texts and extracting keywords therein, and reports or articles based upon structural data, thus making business management and operation more convenient and efficient.

- **TTS.** With the unique intelligent voice controller enabled by the neural network speech synthesis engine, our TTS technology can intelligently convert texts into natural speech streams and generate smooth, natural and highly human-like audio output with expectation-met timbre for listeners in real time, without the raw feeling of machine voice. In addition, it has joint phonetic optimization ability and high-fidelity audio generation ability. Specifically, it allows users to adjust such output details as volume, speed, pronunciation of specific words and/or terms, voice features (by female or male) and language (in Mandarin, English or Chinese local accents, etc.) according to their specific needs in concrete application scenarios of different end-customer industries.

- **Self-Adaptive Algorithm Engine.** Through developing our solutions to satisfy diverse user needs, we have accumulated a number of AI algorithms that are respectively at its best in different scenarios and functions (e.g., short texts vs. long texts; real time vs. non-real time), including round-robin algorithms, convolution algorithms, long short-term memory algorithms and migration algorithms. Accordingly, we are able to embed within our solutions algorithm engine which is self-adaptive to different scenarios to allow better performance of our solutions.

In addition, our core technologies in unified communications and AI as two technological pillars synergize with each other effectively. For instance,

- **Unified communication technologies effectively synergize with AI technologies.** Leveraging our strong unified communication technological capabilities, our voiceprint recognition technology is uniquely empowered by our technologies analyzing the underlying communication protocols used for transmission of signals via different terminal devices. In multiple terminal device scenarios, we can supplement the conventional technological approach to speaker recognition through recognizing the specific speaker's acoustic features with such communication protocol analysis, which realizes the accurate audio source separation and intelligent analysis of conversations involving multiple speakers. Also, our unified communication technologies add on our ASR technology through the capability of recognizing and withholding background noise involved in the conversation to ensure the accuracy of speech recognition.

- **AI technologies effectively synergize with unified communication technologies.** As to scenarios related to identity authentication over telephones, which have traditionally been realized by password inputs based on telephone-routing technology, they can further be empowered by our voiceprint recognition technology as an additional method.

Technological Collaboration

In addition to our AI algorithms and models, our AI technological capabilities are further empowered by collaborations with our business partners. We have become one of the first eco-partners of Baidu regarding the implementation of ERNIE Bot, its chatbot product developed and offered through Baidu AI Cloud, into enterprise-level conversational AI application scenarios. Leveraging our conversational AI technologies' compatibility and their ability to interface and coordinate with third-party models in specific solutions, we can procure from Baidu APIs for ERNIE Bot. Specifically, we have realized the connection of the large language model-based AI content generation capabilities of ERNIE Bot with our NLG, TTS and multi-media gateway technologies, etc., in development or testing environments, through which the two parties are able to jointly serve relevant application scenarios. We expect that the centralized AI services, large language models as well as general knowledge base underlying ERNIE Bot will serve as beneficial complement to our distributed AI services, models based on few-shot learning and professional knowledge base. Our above-mentioned technological orientation can strategically serve conversational AI needs in our key end-customer industries characterized by relatively fewer training data samples and yet high requirements on accuracy and professionality. The collaboration with Baidu on ERNIE Bot lets us leverage its training achievements of general knowledge, which will allow us to better focus on AI trainings relating to professional issues in specific application scenarios (where other trainings on contents other than professional knowledge will be conducted by our collaborators), thereby enabling us to further play to our strengths in scenarios requiring high accuracy and professionality. For instance, we are able to realize path and answer predictions with respect to our knowledge graphs technology and enhance its question identification capability and reasoning speediness through large sample pre-training algorithms. As our knowledge graphs technology focuses on ensuring response accuracy and accountability for the enterprise-level users of our solutions, such technological fusion can additionally enable humanized articulation and content expansion, thus providing an optimal user experience for the individuals that they service. In addition, with our strong natural language generating capabilities, we can enter into new end-customer industries or specific application scenarios with faster speed and lower costs.

Our strategic collaboration with Baidu in such conversational AI ecosystem can be traced back to 2021, in which we are also one of its few eco-partners with conversational AI research and development capabilities. In addition to the foregoing technological synergies, we will continuously cooperate with Baidu as well as other business partners on jointly developing and offering competitive and standardized solutions through technology sharing and experience exchanges, which will also bring us quality customer resources and improve our commercialization strengths, therefore solidifying our competitiveness in enterprise-level conversational AI.

AI Empowerment Computing Center

To further enhance the capabilities of our AI technologies, we had been establishing an AI empowerment computing center in Shandong as of the Latest Practicable Date, which, equipped with ample GPU resources, could cloudify the computing power and training of AI models. The computing center can not only substantially enlarge our computing power, but also realize intelligent match-up of training assignments with the computer resources, thus significantly reducing the average costs needed to train a model. Specifically, the completion rate of jobs training deep learning models through the computing center can reach about 89.7% for GPU cluster, and the average GPU resource utilization rate can reach about 58.0%. As the computing center can significantly empower the efficiency of training our AI models, we are able to effectively improve the performance of our solutions in various specific scenarios. As such, we believe that our computing center will not only enhance our total computing power and efficiency, but also make the production of AI models and the development of AI capabilities more efficient and affordable, hence facilitating the commercialization of our iterative and competitive solution offerings across different end-customer industries.

Our original plan was to establish the AI empowerment computing center within a building made available by certain local governmental entity in Shandong pursuant to a cooperation agreement that we entered into therewith in February 2021 (the "**Cooperation Agreement**"). In accordance with the Cooperation Agreement, the governmental entity constructed the building to provide venue for our AI empowerment computing center and we then leased the said building and made necessary fixed assets investments thereto, including necessary facilities and decorations, as well as servers, in order to use the said building as our AI empowerment computing center. Such investments had been recorded in our consolidated statements of financial position during the Track Record Period under the line item "property and equipment". For details, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Property and Equipment" in this prospectus and Note 11 to the Accountants' Report in Appendix I to this prospectus.

After the completion of the construction of the building itself, the main and standby power supplies, which was undertaken by the governmental entity under the Cooperation Agreement to provide, have not been provided, rendering the operation of the building as our AI empowerment computing center infeasible. In response, we have been proactively and continuously engaging in conversations with the relevant governmental authorities in order to come up with solutions to the situations, and it has been mutually agreed upon between the governmental entity and us that the parties' cooperation over the building will continue. As of the Latest Practicable Date, (i) we planned to use the building as a facility for customer services, in which we can offer operators of customer services software systems and hardware equipment, as well as workspace designated to agent seats, for them to provide services remotely. As of the same date, we had completed the initial design of interior decoration and renovation of the building, which could be so used after the completion of the same; and (ii) the lease agreement entered pursuant to our cooperation with the governmental entity remained effective without early termination by any party. However, due to the matters noted above, we did not make any lease payment during the Track Record Period pursuant to our negotiations with the governmental entity or make any actual use of the building.

Under such circumstances, we consequentially identified alternative venues to accommodate our AI empowerment computing center. Specifically, we have moved the servers that we purchased out of the building mentioned above to the place of certain third-party provider of server hosting services based in the same city, and intended to continue establishing our AI empowerment computing center, at least for the period until the issues with the building are solved, at the said place of the local service provider. By the end of December 2023, our AI empowerment computing center had run online through such third-party provider of server hosting services. For details of risks related to our expansion of computing power, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – If we fail to continuously develop and innovate our solutions to meet enterprise-level users' evolving needs, our business, financial condition and results of operations may be materially and adversely affected" in this prospectus.

Key Technological Development Projects

We plan to continue to enhance our technological capabilities by exploring into various areas with which our conversational AI technologies have promising expansion potentials. Specifically, we have identified several key technological areas on which we have initiated concrete projects, including:

- **Reinforcement Learning, Transfer Learning and Federated Learning.** We will continue our fundamental AI technological explorations under the self-supervised learning framework into reinforcement learning, transfer learning and federated learning, aiming at further reducing the dependence of AI algorithms training on the amount of data, and significantly enhancing the generalization ability of our algorithms.

- **Visualizable Conversational AI Empowered by Computer Vision AI.** We will endeavor to strengthen our technological accumulations in visualizable conversational AI that is further empowered by computer vision AI technologies. For instance, we aim to launch digital avatars with humanized images based upon digital human technologies that are capable of mimicking human's talking patterns, logical thinking, facial expression recognition and learning, etc., in order to create diverse characters performing customized interactions. Such digital avatars can be applied in not only customer service scenarios in which it can recognize the customers' facial expressions to interact therewith in a more human-like fashion, but also in wider areas that have demand for more vivid and engaging conversational interaction experiences.

- **Next-Generation Unified Communications Compatible with Visualizable Conversational AI.** Always committed to providing full-stack solutions, we have also been exploring into the cutting-edge of unified communication technologies compatible with the aforementioned visualizable conversational AI, especially through mobile devices. In line with the proliferation of 5G networks and mobile phones supporting 5G networks, the major telecommunications companies in China have gradually enabled video calls through their networks that are made via the original calling interface of certain types of mobile phones. We believe that it will be a trend for individuals to increasingly make video calls directly through such original calling interface, which is likely to reshape the landscape of enterprises' interactions with their customers.

As such, we have started researching into unified communication technologies for signal processing and intelligent integration with respect to such video calls through video gateways compatible with the networks of each major telecommunications company in China. We expect that this endeavor will help achieve a new enterprise-level interactive mode, with images of digital avatars smoothly delivered onto the original calling interface of mobiles phones and signals of mobile phone users' facial expressions stably transmitted and processed, thus enabling vivid human-machine interactions. Moreover, since the said technologies can also enable the customer service personnel to conveniently see what the mobile phone users see through such video calls, we expect that the technologies will have broad applicability in various scenarios where video-based conversations will provide better user experiences and improve customer services, such as emergency reporting, user identification, equipment maintenance and services, as well as product presentation.

RESEARCH AND DEVELOPMENT

As conversational AI technologies continuously undergo rapid advancements, our abilities to develop new technologies, design new solutions and enhance existing ones are critical to maintaining our market leadership, which depends to a large extent on our continuous commitment to research and development. As a result, we have invested considerable resources in our research and development activities. In addition to our internal research and development personnel, our research and development capabilities are further reinforced by our collaborations with reputed academic institutes such as Shanghai Jiao Tong University.

Our research and development activities are based upon iteration of our current solution offerings and driven by promising market and technology trend, and each research and development project is grounded in widely seen user needs and generally applicable scenarios, which attributes considerably to the cost efficiency of our research and development. For details of our research and development expenses during the Track Record Period, see "Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Research and Development Expenses" in this prospectus. During the Track Record Period, all of our research and development expenditures were expensed.

We have been conducting research and development on technologies in multiple areas, which has been demonstrated by various awards, honors and recognition that we were granted for our innovative endeavors and technological capabilities. For details, see – Awards and Recognitions in this section. In the future, we will continue to invest in research and development activities to enhance our technological capabilities and solution development. Specifically, we are exploring new technological areas which may lead to the next generation of conversational AI technologies. For details, see "– Our Technologies – Key Technological Development Projects" in this section and "Future Plans and Use of Proceeds" in this prospectus.

Our Research and Development Team

We have a rapidly growing research and development team, consisted of 215 dedicated staff as of December 31, 2023, representing 67.4% of our total number of employees as of the same date. Our research and development staff have expertise that spans a wide range of technological areas including computer science, softswitch and integration technologies, conversational AI and information security, and were involved in various processes of our research and development activities on a regular basis. Our research and development endeavors are supervised by our founder, Chairman and executive Director, Mr. TANG. Mr. TANG is a seasoned innovator and business leader with more than 20 years' extensive industry experiences and sharp business acumen, during which period his continuous services for the digitalization, informatization and intelligent transformation of enterprises have been widely spanning from the design and implementation of networks to the development of various computer systems. Mr. TANG received his master degree in software engineering from Shanghai Jiao Tong University in 2005. With rich research, development and management experience, our research and development team has developed an internal best practice and maintained a mature and established process for the development, evaluation and validation of our solutions.

In 2023, Academician Jifeng HE, a world-renowned computer scientist, joined us as our Chief Scientist. Graduated from the Mathematics Department of Fudan University in 1965, Academician HE was elected to the Chinese Academy of Sciences in 2005. Academician HE primarily works as a distinguished professor at Tongji University and a tenure professor at East China Normal University, and also served as the Dean of the School of Computer Science and Software Engineering at East China Normal University. As a reputed scientist with extensive scholarship experiences at top institutes across different countries, Academician HE has led a number of national research programs and received numerous prestigious science and technology awards.

Academician HE is the pioneer of trusted software design theory and technology, for which he promoted the novel research of interdisciplinary information-physical fusion systems in China which laid the foundation of the trusted software architecture. In furtherance of such trusted software design theory, Academician HE is among the first few scientists in China to put forward the notion of responsible AI that emphasizes the importance of data, model, platform and operation being responsible in the applications of AI technologies, as well as to facilitate the industrialization of the same. Academician HE's research on responsible AI fits nicely with our solutions in serving enterprise-level application scenarios, such as city administrations and ICVs, that necessitate high service professionality and output accuracy, and thus have more promising commercialization potentials. As such, we believe that the common interest between Academician HE and us in such intersection of "professional responsible AI" will substantially enhance our fundamental technological capabilities in conversational AI. Specifically, Academician He is responsible for our technological planning in enterprise-level responsible AI and consulting on the application of our ICV solutions, which we envision will greatly drive our technological accumulations in such areas with his academic achievements.

Currently, Academician HE contributes to our research and development technological capabilities by: (i) attending periodical discussions on recent developments and orientation of our business expansion and research and development activities; (ii) reciprocally sharing opportunities of industry forums, which keeps us abreast of industry and technology frontiers; (iii) jointly formulating research and development programs, as well as assisting applications of the same; and (iv) participating in the execution of our cutting-edge projects.

We have entered into legally-binding confidentiality agreements with our key technological personnel and employees involved in our research and development activities, pursuant to which any intellectual property conceived and developed during their employment in the course of performing their duties thereunder or otherwise exploiting our technologies or business-related information belongs to us.

Voicecomm Research Institute

Leverage our academic resources, we have established our Voicecomm Research Institute (聲通研究院) as a special unit under our broader research and development team, which is led by Dr. Xiang LIN. Dr. LIN has comprehensive academic research experiences in conversational AI areas for nearly 20 years. Dr. LIN is the assistant to the Dean of the Institute of Cyber Science and Technology of Shanghai Jiao Tong University, and also acts as the Chief Engineering of the National Engineering Laboratory for Information Content Analysis Technology thereof. Dr. LIN has received the First Prize of Shanghai Science and Technology Advancement Award (上海市科學技術進步獎一等獎) and was selected in the "Rising-Star Program" of Shanghai's Science and Technology Innovation Action Plan (上海市"科技創新行動計劃"啟明星項目), among other awards and honors that demonstrate his widely recognized academic credentials.

The research and development activities carried out through our Voicecomm Research Institute mainly address specific projects worth of in-depth exploration that arise in the course of our services of users of our solutions. Research and development personnel at our Voicecomm Research Institute maintain regularly and constructive communications with team members across various customer projects, and formulate research topics according to the latter's practical needs. For instance, it conducts research on ASR and NLU as needed in the quality assessment and assurance process, on speaker recognition through communication protocol analysis, and on the scheduling of intelligent transportation related and AI resources derived from the ICV project in Zibo. To further encourage and incentivize the research and development personnel to make contributions to our customer projects, we have designed an evaluation and compensation structure that includes a fixed component as well as a performance-based component, and sets specific performance targets for each member.

Research Laboratory for AI Applications in Collaboration with the School of Electronic Information and Electrical Engineering (the "SEIEE") of Shanghai Jiao Tong University

On April 10, 2021, the SEIEE of Shanghai Jiao Tong University jointly and we established the Research Laboratory for AI Applications (AI應用聯合實驗室), whereby the two parties aimed at establishing comprehensive cooperation in the research and development of conversational AI technologies. The Research Laboratory for AI Applications operates as a specific research and development platform covering such primary conversational AI areas as voiceprint-based emotion recognition analyzing multimodal information, TTS, NLP and knowledge graphs, as well as fundamental next-generation conversational AI studies and cutting-edge topics that are crucial for our further growth prospects and penetration into new application scenarios. For instance, the Research Laboratory for AI Applications plans to expand our knowledge graphs technology to improve its comprehensiveness and reasoning capability. The Research Laboratory for AI Applications also targets to develop a machine learning service platform based upon federated learning that ensures data security and privacy. The Research Laboratory for AI Applications can explore the training of AI algorithms based upon the intelligent computing platform within our AI empowerment computing center. The Research Laboratory for AI Applications will utilize our intelligent computing platform with cloudified computing power to effectively train and optimize our conversational AI models, as well as to explore the self-adaptive engine for the most optimal conversational AI model for specific scenarios. Moreover, the Research Laboratory for AI Applications is also expanding such intelligent computing platform's boundaries for being used as an AI model training ecosystem that will not only benefit our solution offerings but can also be leveraged by other enterprises and third parties for their needs of enhancing their in-house AI capabilities.

In addition, the Research Laboratory for AI Applications and we regularly hold forums and salons, where faculty members from the SEIEE of Shanghai Jiao Tong University will present latest development in various AI areas and awards-winning graduates therefrom will also share with us their algorithm developments. Through such reciprocal dialogues and exchanges, our research and development personnel also provide valuable insights that may inform the future studies of such academicians. We believe that the establishment of the Research Laboratory for AI Applications will help us combine AI fundamental theories and technologies with specific application scenarios, form next-generation solutions through in-depth cooperation, and build an AI innovation ecology of industry, academia, research and application integration.

Pursuant to the collaboration agreement that we entered into with the SEIEE of Shanghai Jiao Tong University, we are solely entitled to any intellectual property in relation to our research and development projects carried out by the Research Laboratory for AI Applications and have the exclusive right to commercialize any of such projects. Provided that no technological secrets are involved and no commercial interests of us are affected, the school and the related personnel shall have the right to publish papers in relation to the joint research and development and use the research results for scientific research and pedagogical purposes, and shall not use the same for any commercialization purposes.

In the future, we also look forward to establishing further collaborations with other institutes and we recognize the significance of such collaborations in contributing to our continuous research and development efforts. For details of risks relating to such research and development collaborations, see "Risk Factors – Risks Relating to Our Business – The termination of any collaborations with our partners for joint research and development projects may adversely affect our business prospects" in this prospectus.

Our Solution Development Process

Our solution development process is grounded in the pain points experienced by enterprises and other organizations in their respective industries. Our research and development staff collaborate closely with each other to develop high-quality solutions, innovate sustainably and continually expand our technological boundaries, through which process they also gain valuable experiences and know-how on solution development that will further underpin our strong research and development capabilities. Key steps in our solution development process typically consist of:

- **Preliminary Study and Communication.** We firstly conduct insightful study and understand the relevant technological developments and trends, as well as take initiatives on industry-oriented research to collect demands, requirements and preferences from the existing and prospective users of our solutions.

- **Technological Demand Characterization and Analysis.** After our preliminary study and communication, we then characterize the specific technological requirements from the users, analyze our core competitive strengths in the respective end-customer industries, and establish a clear priority among different demands and pain points.

- **Project Establishment and Design.** We define the key functional and performance parameters to address user demand, develop a detailed project schedule, establish efficient workflows and progress monitoring, and set up definitive goals and deliverables.

- **Pilot Launch.** After we develop the framework design, we will complete the coding, testing and solution launch in-house.

- **Continuous Optimization.** Based on the feedback collected, we make continuous efforts to optimize functions and performance of our solutions, and research into updated versions with improved features and functionalities where necessary.

Our Industry Know-how

In addition to our technological capabilities, industry know-how also contributes significant to the commercial viability of our solutions. Without contribution of industry know-how, our solutions may be of high technology but no business value. Given our core research and development mindset that is well-advised by enterprise-level users' needs and our rich project experiences piled up since our foundation, we have recognized the necessity of industry know-how in the process of our solution development. As such, we routinely accumulate and comprehend industry know-how in the end-customer industries in which we operate and apply the same into training our AI algorithms and optimizing the industry-specific knowledge graphs and base, which has been proved to be crucial in putting our resources into right direction and substantially ensured the performance of our solutions. Based on our abundant industry know-how, we are also able to design and embed script templates of communications into our competitive solutions that can significantly facilitate users' communications with their customers or other third parties connected via our solutions.

Furthermore, to accelerate our development processes, we use our industry know-how to evaluate (i) the commercial viability of our research; (ii) the competitiveness of our technologies and solutions; and (iii) the costs and returns of research and development activities as measured by research efficiency. Input from our industry know-how has therefore focused our research and development efforts on areas with potential commercialization opportunities, lower competitive barrier and cost savings such that our resources are efficiently utilized.

INFORMATION SYSTEM, DATA SECURITY AND PRIVACY PROTECTION

Information system and data security is our long-held commitment, to which we attach the greatest importance. In this regard, we have formulated comprehensive internal control policies and risk management mechanisms with the purpose to ensure data and information security, optimized data governance, protection of the benefits of our customers, business partners, employees and other third parties, and compliance with all applicable laws and regulations as well as prevalent industry practice. For details, see "– Risk Management and Internal Control – Information System and Data Security Risk Management" in this section.

Our Board of Directors is collectively responsible for formulating information system and data security strategies, and decision-making in material information and data incidents. Under its supervision, our management oversees network, system and data security matters related to our business operations, and we also have dedicated technological personnel who maintain our IT systems and infrastructure and implement our policies on information system and data security. As sufficient maintenance, storage and protection of data and other related information are critical to our success, we intend to continually invest heavily in information system and data security. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material incidents of system breakdowns, data breaches, hackings or losses, or information leakage.

However, we are exposed to risks in relation to system and data security in our operations. We may be targeted by cyberattacks, distributed denial of service attacks, hacking and phishing attacks, security breaches, computer malware, and other malicious internet-based activity. For details of risks with respect to information system and data security that we may encounter, see "Risk Factors – Risks Relating to Our Business – Our business is subject to system and data security risks, and our technology infrastructure may experience unexpected system failures, interruptions, inadequacy, security breaches or cyberattacks, which may harm our reputation, business and results of operations" in this prospectus.

Data Privacy

We are subject to various laws and regulations regarding cybersecurity, privacy and data protection. For details of such laws and regulations, see "Regulation Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this prospectus.

For purposes of completing transactions and offering solutions in the course of our business operations, the types of customers' data that we usually receive through email communications include: (i) the basic corporate information and contact information of the customers; (ii) the business description of the customers and other information related to their business operations; and (iii) certain technical information of the customers and their systems/platforms, which may also be authorized by our customers to be downloaded from the portals that they provide.

With respect to personal information, we do not have ownership over or proactively collect the data from our customers/enterprise-level users or their users, and only access and process such data on an as-needed basis per our customers' authorization and request for model training to fulfill the purposes of our solution offerings in limited cases, such as for optimizing AI algorithms and enhancing our standardized solutions' functionalities in a specific application scenario. We do not proactively collect data from our customers/enterprise-level users in the sense that, when providing our standardized solutions, we do not require our customers/enterprise-level users to provide their data or their end users' personal information to us. However, if a customer requires us to customize the solutions in specific industry or use scenarios for more satisfactory performance, we may need to ask it to provide us with data consisting of dialogues involving individuals, for the purpose of optimizing the AI algorithms involved and enhancing our solutions' data recognition accuracy therefor.

Substantially all of the data we access, process or use for us to analyze the scenarios are in the form of raw audio recordings consisting of voice dialogues involving individuals in scenarios across a number of industries provided by our customers. Procedurally, we access such raw audio recording data normally through portals designated by the customers to download the same by using the account and password provided by the customers, and the data will be stored in the servers deployed in our premises for processing. After receipt of the raw audio recording data from a customer, the recordings will be partitioned and randomized before we use them to optimize the AI algorithms which will be used in the solutions to be provided. After the said steps, the resultant recordings will no longer contain any information which can be used to identify or to correlate with any particular individuals. The recordings will only be retained by us during the period necessary for completing the optimization, the duration for which is essentially contingent upon the specifics of different projects and will normally last less than two weeks. During the Track Record Period and up until May 2023, we conducted the abovementioned data desensitization process ourselves. To further tighten our data processing practice in relation to data privacy, we have been requiring our customers to desensitize the data before sharing to us for optimizing AI algorithms since June 2023. After completing the optimization, the raw audio recording data will be deleted permanently and we will only retain the C-language files (source code files written in the C programming language, representing a desensitized and machine-readable binary format) resulting from the optimization as our training data, which contain no personal identifiable information. As between our customers and us, our customers own the raw audio recordings data, and we own the said C-language files as our work product, which will be added into our database for further use in the future.

Under such circumstances, we obtain the customers' prior authorization and delegation before accessing and processing such data. During the Track Record Period, we obtained the consents from our customers under our agreement therewith for accessing and processing the data that they provided. Furthermore, we have formulated a comprehensive data protection clause that is provided in the agreement entered into with our customers. Such data protection clause clearly provides for the customer's responsibilities for handling personal information when using our solutions or entrusting us to process personal information on its behalf. If a customer provided its raw audio recording data to us, we also required it under such data protection clause to contractually commit to us that it had obtained the consents from the relevant data subjects for collecting and processing their personal information or had other legal basis under the *PRC Personal Information Protection Law* (《中華人民共和國個人信息保護法》) ("**PIPL**") to collect and process such personal information. As advised by our PRC Legal Adviser, given that the customer determines the purposes and processing methods of processing the personal information contained in the raw audio recordings, the customer is the "personal information handler (個人信息處理者)" as defined by the Article 73 of PIPL and we are only the entrusted party under the Article 21 of PIPL to process desensitized information under its instructions. As further advised by our PRC Legal Adviser, according to the Articles 13 and 14 of PIPL, the customer as the "personal information handler" is obligated to ensure the legitimacy of collecting the relevant personal information and entrusting us to process on behalf of it. Our accessing and processing of data are strictly restricted to the limited purposes of AI algorithm training and optimization and will only last for the service period as agreed upon with our customers, after which, all relevant data except for the

C-language files noted above will be promptly and properly deleted or destructed. We typically undertake to comply with all applicable laws and regulations in connection with the collection of such data, including but not limited to any laws in respect of intellectual property rights, privacy, data protection, personal information protection, and personality rights. In addition, we have established data privacy policies to ensure that our data accessing and processing activities are for legitimate purposes and conducted in accordance with applicable laws and regulations, for instance:

- We strictly process data in the manner that has the least impact on the rights of data subjects. We process data with specific and reasonable purpose, which is limited to the minimum scope for achieving the purpose of optimizing our AI models and solutions, and data shall not be used for any purpose irrelevant to such purpose;

- Before AI models training, we ensure that the input data are not used for individual identification purposes and are contents pre-treated without personal identifiable information attached in nature;

- We implement internal authentication and authorization mechanisms to ensure that the data we process can only be accessed by authorized personnel, with visit records documented via system logs; and

- We annotate and conduct training on the data in accordance with the restricted purposes of usage and limited time frame of storage as stated in our agreements. After the collaborations are completed, we will proceed with deletion or destruction of the relevant data to comply with our corresponding obligations promptly and properly.

Moreover, we strictly follow our internal data security policies and rules when collecting and processing the above data provided by our customers. Our data security policies and rules cover the data security objectives, organization, data security risk assessment and response mechanism, and access control requirements and more. We have formulated a data classification and grading catalog and implements different access control and security measures accordingly. We have also established and appointed management groups and executive teams in charge of data security matters. By implementing those policies and rules, we believe that the data collected and processed by us are safeguarded from unauthorized access, destruction, leakage, or misuse. Upon reviewing our relevant internal control policies, our internal control consultant confirms that the design of such policies does not contain any material defects or issues, and confirms that such policies, once implemented, can effectively safeguard irregularities with accessing and processing data (including personal data, if any) in all material aspects.

We believe that, by the above-mentioned measures, we have reasonably fulfilled our protection obligations with respect to the personal information that may be contained in the data that we access and process. During the Track Record Period, we had not purchase any personal information or other data from our customers or any other third parties during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, there had been no incident of data or personal information leakage, pending or threatened investigation, penalty, litigation or other legal proceeding against us claiming personality rights infringement or data protection initiated by competent government authorities or third parties, or violations of data privacy laws and regulations, to the best knowledge of our Directors, that would materially and adversely affect our business operations. Based upon the foregoing, our PRC Legal Adviser was of the view that, during the Track Record Period and up to the Latest Practicable Date, the data privacy practice of our Group met the requirements of laws and regulations in effect in material respects.

We will continue to pay close attention to the legislative and regulatory developments in data privacy and ensure that our operations comply with the latest regulatory requirements. Nevertheless, we are subject to risks relating to the regulatory uncertainties in this regard. For details, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection and generative AI services, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences." in this prospectus.

Internet Information Security

On November 14, 2021, the CAC released the *Network Data Security Management Regulations (Draft for Comment)* (the "**Draft Regulations**"), which stipulate several requirements for entities who process data through the use of networks, including that data processors shall (i) be responsible for the security of the data it processed and shall undertake data protection obligations; and (ii) establish comprehensive data protection system and technical protection mechanism. For details of the Draft Regulations, see "Regulatory Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this prospectus.

Our PRC Legal Adviser is of the view that the possibility that our proposed Listing in Hong Kong may give rise to national security risks and require the application of cybersecurity review is remote, considering that: (i) we do not utilize the internet to provide services, and the solutions delivered to our customers are deployed on servers or cloud platforms controlled by the customers/enterprise-level users themselves and utilized by them to carry out their own business, while we are not involved in the operation of the solutions or their underlying platforms; (ii) our main business is to utilize AI technologies to develop and provide the solutions that are deployed and used by our customers/enterprise-level users themselves, and we do not externally provide any data processing services; (iii) as of the Latest Practicable Date, no entity of our Group was determined by the competent authorities as a critical information infrastructure operator ("**CIIO(s)**"); (iv) we do not directly collect the personal information from our customers/enterprise-level users. Instead, we are only entrusted by a few customers to use the raw audio recordings provided by them that will be partitioned and randomized in prior to optimize the AI algorithms to be used by the relevant customers/enterprise-level users. After completing the optimization, the raw audio recording data will be deleted permanently and we will only retain files resulting from the optimization as our training data, which contain no personal identifiable information; (v) we do not transfer any customer data or other personal information to recipients outside of mainland China in our business operations; and (vi) we have taken appropriate technical and organizational measures to safeguard the security of the data that we processed. Based upon the foregoing, our Directors believe, and the Sole Sponsor concurs, that even if the Draft Regulations are adopted in their current form, it is unlikely that we will be required to apply for cybersecurity review for our proposed Listing in Hong Kong.

The data processing activities involved in our business operations will be subject to the requirements set by the Draft Regulations if they become effective. Even if the Draft Regulations are implemented in their current form, our Directors believe that we will be able to comply with the requirements in our business operations and they will not have a material adverse impact on us, considering that: (i) we have established internal management bodies responsible for information security, data security and personal information protection, respectively, in accordance with the requirements of applicable laws and regulations, and have appointed persons in charge of the said matters; (ii) under the supervision of these internal management bodies, we have a data security team of engineers and technicians dedicated to protecting the security of the data that we processed; and (iii) we have also adopted strict internal policies on information system and data security risk management, to ensure the security of the data that we processed. For details, see "– Risk Management and Internal Control – Information System and Data Security Risk Management" in this section.

According to the amended *Cybersecurity Review Measures*, which have come into effect on February 15, 2022, (i) the purchase of cyberspace products and services by the CIIOs and the network platform operators (the "**Network Platform Operators**") which engage in data processing activities that impact or may impact national security shall be subject to cybersecurity review by the Cybersecurity Review Office; and (ii) the Network Platform Operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for cybersecurity review by the Cybersecurity Review Office. For details of the *Cybersecurity Review Measures*, see "Regulatory Overview – Regulations Relating to Internet Information Security and Privacy Protection" in this prospectus.

Our PRC Legal Adviser confirms that neither our business operations nor our proposed Listing in Hong Kong will trigger the obligation to apply for cybersecurity review by the Cybersecurity Review Office pursuant to the amended *Cybersecurity Review Measures*, considering that: (i) as of the Latest Practicable Date, no entity of our Group was determined by the competent authorities as a CIIO; and (ii) we neither processed the personal information of more than one million users nor applied for listing in a foreign country.

In addition, our PRC Legal Adviser notified China Cybersecurity Review Technology and Certification Center ("**CCRC**") through a telephone consultation on May 23, 2023, and has been advised that: (i) our proposed Listing in Hong Kong does not constitute a "listing in a foreign country" as described under the *Cybersecurity Review Measures*, and therefore we are not required to proactively apply for cybersecurity review thereunder; and (ii) the Draft Regulations are in draft form and have not yet come into effect, and we are not required to apply for cybersecurity review under the Draft Regulations. Based on the reasons above, our Directors are of the view that the Cybersecurity Review Measures do not apply to us and will not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above.

Generative AI Services

On July 13, 2023, the CAC and other six ministries jointly published the *Interim Administrative Measures on Generative AI Services* (the "**Interim Measures on GAI**"), effective on August 15, 2023. The Interim Measures on GAI apply to the provision of generated contents such as texts, images, audios and videos to the public within the territory of China by utilizing generative AI technologies ("**GAI Services**"). The Interim Measures on GAI, among other things, (i) set forth principles for provision and use of GAI Services; (ii) impose various obligations for the provider of GAI Services, from protection of users' personal information to content monitoring and filtering; (iii) provide specific requirements for the data training activities such as pre-training and fine-tuning; and (iv) require the providers of GAI Services to conduct security assessment for provision of GAI Services with public opinion attributes or social mobilization capabilities and file for records with the CAC. For details of the Interim Measures on GAI, see "Regulatory Overview – Regulations and Policies on Information Industry – Regulations on the Application of Artificial Intelligence Technologies" in this prospectus.

According to our PRC Legal Adviser, there are two elements for determining the applicability of the Interim Measures on GAI: (i) whether the services are GAI Services; and (ii) whether such services are offered to the public within China. Our PRC Legal Adviser is of the view that the definition of "the public" under the Interim Measures on GAI is confined to individual users and does not apply to institution users, considering that:

- Textually, the term "the public" (公眾) in Chinese refers to the people, i.e., the general public. It is a collective term for many individuals;

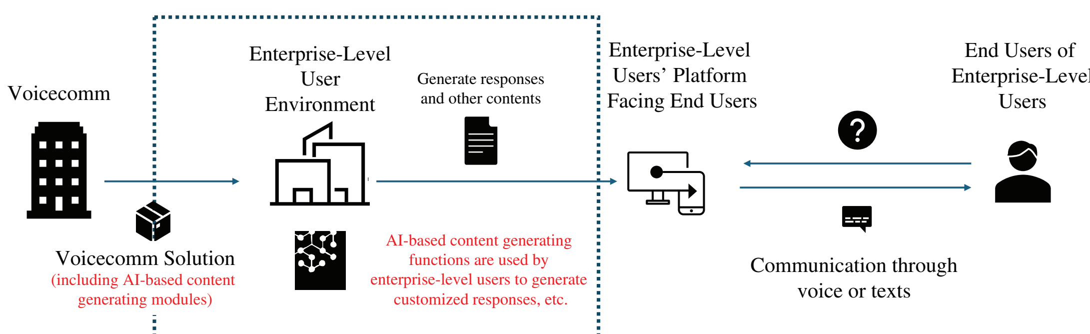
- Specifically, Article 2 of the Interim Measures on GAI provides that they will not apply to the industrial organizations, enterprises, educational and scientific research institutions, public cultural institutions, and relevant professional institutions that develop and apply generative AI technologies and do not provide GAI Services to the public within China. Such clause reflects the legislative intent of regulating only the GAI Services to be used by individual users; and

- In addition, there are various other detailed requirements of the Interim Measures on GAI for services aimed at individual users, not enterprise-level services, for example: (a) Article 10 requires the service provider to disclose *the target groups of people that its services are designed for* and take measures to prevent *minor users* from overly relying on or becoming addicted to its GAI Services; and (b) Article 11 prevents the service provider from retaining the inputs or use records that can be used to identify a user's identity.

By applying the test to us, our PRC Legal Adviser is of the view that our current businesses do not fall into the scope of provision of GAI Services to the public and thus the Interim Measures on GAI do not apply to our current businesses, considering that: (i) we only provide our AI technology-based solutions to institutions and we do not directly provide any services to individual users; (ii) as far as GAI technologies are concerned, our solutions are provided in the form of preset software systems that are installed and deployed in the servers and cloud platforms controlled by our customers/enterprise-level users, and the content generating functions of our solutions are only used by themselves through such software systems; and (iii) even if certain customers/enterprise-level users may provide their own services enabled by our solutions to their own end users, such end users that they serve do not have any access to our AI technologies to generate any content. Taking our telephone banking solutions as an example, the intelligent virtual agents realized by our AI technologies can facilitate banks' customer services by intelligently engaging in voice conversations with the individual customers of banks to fulfill various telephone banking functions such as queries, transaction instructions and identification. The AI based services involved in this service process realized by our AI technologies, however, are unilaterally and exclusively enjoyed by banks, but not their individual customers. In other words, while our AI technologies automate banks' customer services from the institutional end, it is not possible for the individual customers to leverage our GAI functionality provided to banks and they still have to interact with the intelligent virtual agents by themselves. This is essentially because our AI models cannot be used by any individual users through programmable interfaces, and, as noted above, we do not open our AI models to the public.

Moreover, our PRC Legal Adviser made an anonymous consultation with the CAC's hotline responsible for the algorithm filing matters on December 19, 2023. Notwithstanding that no clear guidance on the applicable scope of the Interim Measures on GAI was given during the consultation, the official pointed out that if AI-based content generating services are indirectly provided to individual users through institution users, the Interim Measures on GAI will apply. According to our PRC Legal Adviser, "indirectly provided to individual users" describes the scenario where an AI-based service provider allows the AI-based content generating functions to be used by individual users who do not transact with the service provider but have access to the content generating functions through an intermediate entity (i.e., an institution user of the service provider's AI-based services). In that case, the Interim Measures on GAI still applies because the AI-based content generating functions are ultimately used by individual users, or the public, to generate contents. However, after examining our solutions and our business model, our PRC Legal Adviser believes that this "indirect provision" scenario is fundamentally different than the service process of our solutions deployed by enterprise-level users based on the following reasons:

- As illustrated by the abovementioned telephone banking solutions case study, the functionalities enabled by the AI-based content generating modules embedded within our solutions are exclusively used by our enterprise-level users (institutions) and none of our solutions provides any data interfaces to allow them to make the content generating functions available to their end users (individuals). As displayed by the following diagram, the AI-based content generating functions can only be used within the scope of the dotted box:



- In addition, from a technical feasibility perspective, our AI-based content generating modules and other functional modules are encapsulated within our comprehensive solutions. Not developed as standalone applications, such modules are able to form a complete processing flow only when combined with each other to jointly assist our enterprise-level users in better achieving their business objectives. From an interactional meaningfulness perspective, the AI-based content generating modules embedded within our solutions are trained solely for business scenarios of our enterprise-level users across different end-customer industries, rather than for personal use by their end users. Thus, it is not only technically infeasible for our enterprise-level users to make the content generating functions of our solutions available to their end users, but also interactionally unmeaningful for them to so.

Based upon the foregoing, since we do not directly or indirectly provide any AI-based content generating services to individual users, our PRC Legal Adviser believes that our current businesses fall out of the applicable scope of the Interim Measures on GAI. However, considering that only an anonymous consultation was conducted with the CAC during which no clear confirmation on the applicable scope of the Interim Measures on GAI was provided, as well as the additional fact that there has been no official interpretation or specific implementing rules thereon, it essentially remains uncertain as to whether our current businesses will be deemed to constitute indirectly providing AI-based content generating services to individual users and thus subject to the Interim Measures on GAI. For details, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As our business is subject to complex and evolving laws, regulations and governmental policies regarding cybersecurity, privacy and data protection and generative AI services, actual or alleged failure to comply with applicable laws, regulations and governmental policies could damage our reputation, deter current and potential customers or end users from using our solutions, and subject us to significant legal, financial and operational consequences" in this prospectus.

That said, our PRC Legal Adviser is of the view that we would be able to comply with the Interim Measures on GAI in all material respects assuming its applicability to our current businesses, considering that: (i) we have adopted internal procedures to ensure that our operations are in compliance with applicable laws and regulations, including the Interim Measures on GAI. Specifically, we will strengthen our legal and compliance risk management by monitoring legal updates and updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, including that in relation to the Interim Measures on GAI, and accordingly updating our internal protocols and procedures in a timely manner. For details of our risk management and internal control with respect to legal and compliance risk management in particular, see "– Risk Management and Internal Control – Legal and Compliance Risk Management" in this section; and (ii) moreover, we have also taken contractual and other measures to ensure the legitimacy of the source of the training data we used. As of the Latest Practicable Date, we (a) had formulated and implemented our algorithm security management standards and rules, including mechanisms such as keywords identification and illegal contents filtering that prevent our AI models from being used to generate illegal or false information; and (b) were in the process of filing for record for our algorithms with the CAC. Upon reviewing our internal management measures of algorithm security, our internal control consultant confirms that the design of such measures does not contain any material defects or issues, and confirms that such measures, once implemented, can effectively prevent our algorithms from being misused in a way unintended by us in all material aspects.

Specifically, pursuant to the *Administrative Provisions on Deep Synthesis in Internet-based Information Services* (《互聯網信息服務深度合成管理規定》), technical supporters of deep synthesis technology (the organizations or individual that provide technical supports for deep synthesis services) are required to file for record with the CAC's algorithm record-filing system and disclose the information regarding the algorithm data, algorithm models, algorithm strategies and algorithm risk and prevention mechanisms, as well as how the technical supports are provided. Moreover, under the Interim Measures on GAI, such filing requirement also applies to the GAI services "with public opinion attributes or social mobilization capabilities". Under the *Administrative Provisions on Deep Synthesis in Internet-based Information Services*, (i) we have to file our algorithm record with the CAC; (ii) as of the Latest Practicable Date, we had submitted the eligibility certification application, and had obtained approval from the CAC; and (iii) we then submitted algorithm security self-assessment report and other materials to the CAC for further review. According to our PRC Legal Adviser, the entire filing procedure will normally take three to four months based upon the general practice, based upon which it is expected that such filing will be completed before September or October 2024.

Based on the reasons above, our Directors are of the view that even if the Interim Measures on GAI did apply to us, it would not have a material adverse impact on us in material aspects, and the Sole Sponsor concurs with the Directors' view based on the reasons above.

SALES AND MARKETING

Sales

We have a highly efficient internal sales team consisted of professional personnel with work experiences in leading companies in different industries, which is led by our senior management, who has in-depth insights into the businesses and industries that currently are and potentially could be empowered by our solutions and rich experiences in serving the end-customer industries that we focus on. In particular, Mr. Qi SUN, our executive Director and general manager, has more than 20 year's experiences spanning a variety of industries in client management, product commercialization and sales and marketing. Led by Mr. SUN, our sales team incorporates talents including Mr. Yiqing OUYANG, our deputy general manager, and other personnel from different levels and across different functional teams, with whom we proactively conduct sales training to make them familiar with the nature and details of our solution offerings. Our leadership engages deeply in initially communicating with potential customers and formulating our marking strategies, and our project teams follow up with such potential customers to evaluate and address their needs.

Our sales activities are centered on the needs of enterprise-level users. We believe we can understand their requirements and business development plans firsthand, propose technological solutions and project plans, and help them solve their problems efficiently. The extensive industry experiences of our sales force have been essential for the successful adoption and implementation of our solutions in a wide variety of end-customer industries across different geographies. Leveraging such experiences, our sales force identifies market trends and user demand thoroughly and simultaneously works closely with our technology-related departments to propose suitable solutions addressing the pain points faced in the relevant end-customer industries and deliver expectation-met solutions in a timely manner. We build experienced project-based teams that are knowledgeable about the technological requirements by participants in the relevant end-customer industries, allowing us to provide our solutions that directly address user needs. Through development and commercialization of solutions for similar users, we also leverage synergies across markets to iteratively upgrade and refine our solutions, thereby creating affordable standardized solutions that also save our sales and marketing and maintenance expenses to the extent possible. During the Track Record Period, our customers, including our launch customers, were procured primarily via responding to invitation to quote or solicitation based upon our wide reputation and industry connections established through offering enterprise-level communication solutions for nearly two decades, and also via open tenders, especially when serving the public sector. Such tenders submitted would then be assessed based upon applicants' qualifications, skills and experiences to evaluate if they are capable of fulfilling the requirements as stipulated in the tender documents together with their tender price. We recognize certain customer as a "launch customer" when the following criteria have been met: (i) for an enterprise-level user, one that has an industry-leading position in the end-customer industry that we target to enter, based on its technological advantages, commercial success, societal recognition or leading market occupation rate, etc.; and (ii) for a system-integrator, one that serves enterprise-level users with the said industry-leading position within our target end-customer industry. For details of the significance of our launch customers in relation to our go-to-market strategies, see "– Marketing" in this section.

Our in-house sales team interacts closely with our customers to implement our sales plan and execute the contracts therewith. As our business and customer base grow, we expect to further expand our sales force to drive new business opportunities. Since we primarily focus on providing solutions to large-scale organizations, we may spend significant time on customer communications, project evaluation and design, thereby resulting in longer sales cycles. For details, see "Risk Factors – Risks Relating to Our Business – Our sales cycle can be length and unpredictable and requires considerable time and expenses under certain circumstances, and we may encounter configuration, integration, implementation and customer support challenges that could affect our results of operations" in this prospectus.

We also work closely with third-party solution business partners, which primarily consist of system integrators, and leverage their understanding of the end users' demand, thereby developing solutions to better serve the latter's needs. For details, see "– Customers and Customer Support" in this section.

Pricing

We price our solutions primarily with cost-based method by taking into consideration factors such as (i) the number and complexity of the technological segments that the customer request to be enabled within the solution that it purchased. Our pricing policies are designed generally to scale proportionately with the number and comprehensiveness of the specific functional modules required. As the number of such functional modules increases, the overall complexity and efforts involved in building and delivering the solution accordingly escalates; (ii) the number and types of hardware component and/or terminal devices that we need to procure as elements of our solutions, and their costs. For solutions that involve hardware components such as servers, mobile phones and other edge devices, our pricing takes into account the volume of equipment required. Additionally, we also consider the complexity of integrating these devices into the specific on-site infrastructure environment, which may necessitate tailored configurations and deployment support; and (iii) the extent of incidental technological functions that require customization and/or maintenance, and the value created. For instance, if there is any request for customization or adjustment on top of the standardized solutions, we will evaluate and assess the complexity of such customization. Specifically, when incidental technological functions or customizations are required, we formulate the budget based on the number of hours needed for our research and development team to perform tailored software development, in order to accurately estimate the development efforts involved. As an alternative, in certain cases where we determine that outsourcing specific accessory technologies or components to be a more cost-effective and efficient option in the short term, we will also evaluate the feasibility of integrating third-party technologies into solution offerings on top of our core technologies. We believe it is crucial to provide our solutions at competitive prices for our continued success, and it is thus one of our pricing strategies to conduct market research and evaluate the existing competitors in the markets for similar application scenarios, comparable offerings and assess the technological sophistication and advantages of our own solutions.

Our solutions are primarily offered in an outright purchase nature negotiated on a case-by-case basis. While we try to remain scalable and flexible in our pricing practices, we will also consider our historical profit margin levels, such as that during the Track Record Period, as a valuable benchmark for the anticipated level of profitability from each comparable project to be carried out. Under certain circumstances, especially when we are exploring into new application scenarios for our solutions, we may price such on a project-by-project basis by taking into account factors including our expected procurement costs on completing the project, pricings of our competitors as well as the possibilities of entering into new solution offering areas.

Marketing

We believe that our solutions speak for themselves. We are dedicated to creating value for enterprise-level users of our solutions as we ultimately share their success, which at the same time allows us to leverage the word-of-mouth referrals by our existing customer and business partners to achieve organic customer acquisition and to expand our market presence in a cost-efficient manner.

Our go-to-market strategies start at collaborations with early adopters, such as our launch customers, in certain end-customer industry we target to enter, which allows us to accumulate industry expertise and demonstrate the value of our solutions through one or a few entry projects. Once our value has been proven, we are then able to expand our presence quickly to cover other quality customers and further penetrate the end-customer industry, without incurring significant sales and marking expenditures, by leveraging our enriched understanding of the industry, our reputation established through collaborating with the launch customers, and our strengthened ecosystem. As such, we have effectively expanded our solution offerings in different end-customer industries. Simultaneously, our launch customers' local and global positioning allows us to expand into the different geographical markets in which they operate.

In addition, we enhance the awareness of new and existing solutions through various channels, including participation in industry seminars, conferences, forums and salons to showcase our technological advancements, as well as development of relationships with industry participants. Furthermore, the various awards, honors and recognitions that we received from industry organizations and business partners for our technology and commercialization achievements and sales and marking capabilities also raise our profile with our potential customers. For details, see "– Awards and Recognitions" in this section.

CUSTOMERS AND CUSTOMER SUPPORT

During the Track Record Period, our customers ranged over different end-customer industries and we did not rely on customers from any specific end-customer industries. We mainly had two categories of customers: (i) solution partner customers, who were primarily third-party system integrators that embedded our solutions into their offerings to cater to enterprise-level users' needs; and (ii) enterprise-level users purchasing and using our solutions directly. Contingent upon the essence of their needs and the scenario-specific deliverables, certain end users of our solutions use system integrators when selecting suppliers or service providers to benefit from the various services and/or products integrated by such system integrators without the necessity of directly negotiating with a large number of such suppliers or service providers. Such end users typically lay out the goals they plan to achieve and the budget for their projects and engage third-party system integrators, instead of engaging us directly. While system integrators do not specialize in developing their own solutions, they procure hardware and/or software solutions from companies like us, and implement software plus hardware solutions for end users with uniform standards. System integrators usually provide various types of assistance in project implementation, such as selecting suppliers, integrating the work products of different suppliers and managing the implementation. According to iResearch, it is an industry norm for end users to engage system integrators to implement their projects. There are no differences in pricing and other material terms between our contracts entered into with system integrators and that entered into with enterprise-level users.

With respect to payment from system integrators, there is not any contractual term under our agreements with them providing that they would only settle with us after receiving payment from their end customers or otherwise establishing a direct correlation or dependency between the two payment streams. Rather, we have the absolute entitlement to payment from the system integrators within the agree-upon payment terms and conditions once we recognize revenue upon acceptance thereby. Yet still, the pace at which the system integrators settle with us could be factually contingent upon the timing of when they receive payments from their end customers as a matter of commercial consideration and market practice driven by the cash flow dynamics and operational realities within the value chain. According to the iResearch Report, since system integrators normally have significant upfront costs associated with integrating, customizing and deploying their offerings to their end customers, their ability and tendency to settle timely with their upstream suppliers like us could be impacted by their receipt of payments from their end customers, which is in line with common practice in the industry.

Given the potential trade receivables collection pressure arising from the abovementioned business model of selling to system integrators, we have adopted a number of measures to specifically manage and mitigate this impact, which include that:

- we have implemented rigorous credit evaluation processes for system integrators to assess their creditworthiness and payment histories. Establishing credit terms based on the credit risk profile of each system integrator, we regularly monitor and review their credit exposures and payment performance. We also regularly consult publicly available information to gather their information and engage in direct dialogue therewith to stay informed about their operational status;

- we have adopted a detailed due diligence procedure to thoroughly evaluate the system integrators that we conduct business with to gain better visibility into the creditworthiness of their end customers. By assessing their customer base, we verify their track record, reputation, and ability to secure contracts with financially solid end customers, as well as ensure that they primarily serve large public-sector entities supported with reliable funding sources and good credit status, well-established enterprises, or end customers with strong credit histories and financial solvency;

- With respect to the system integrators with considerable outstanding historical trade balances, we also plan to negotiate more favorable payment terms and consider requiring partial upfront payments to reduce credit exposure to the extent possible; and

- we have also been actively diversifying our own customer portfolio by pursuing direct relationships with enterprise-level users, where appropriate, and reduce any reliance on a limited number of system integrators, which can further help mitigate concentration risk and exposure to specific payment practices.

In addition to the above, our policies and measures to manage our trade receivables apply to our customer who are system integrators by nature equally. For details, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this prospectus. By implementing a combination of these measures, we proactively manage the trade receivables collection pressure arising from the business model of selling to system integrators, so as to help improve cash flow management, mitigate credit risks, and ensure a steady liquidity position.

Although a portion of our customers are our solution partners, which mainly are system integrators and not the end users, we do not believe that our business model is a distributorship model, primarily because: (i) as discussed above, solution partners are not distributors that we engage to broaden our sales channels; instead, they are selected by our end users to implement their projects, and the ultimate decisions as to which service provider to choose are primarily made by the end users; and (ii) regardless of whether our contracts were entered into directly with our end users or with system integrators, there are no material disparity in contract terms and the scope of our services. Based on the foregoing, we do not believe that system integrators are our distributors, and we do not believe that our business relationships with them raise any concern in relation to inventory risk, channel stuffing or cannibalization. Rather, system integrators' extensive industry resources and know-how, as well as strong sales capabilities contribute efficiently to the end users' deployment of our solutions, and, through cooperating with system integrators, we can better focus on providing standardized solutions by leveraging our core technologies. In light of the growing customer base and increasing number of system integrators therein, our Director confirm that we are not reliant on any particular system integrators for our revenue growth. The total number of direct customers with whom we entered into contractual relationships during the Track Record Period amounted to 65, 120 and 199 as of December 31, 2021, 2022 and 2023, respectively.

The value of our contracts with our customers can vary substantially from customer to customer, depending on their business needs. The salient terms and conditions of our agreements with customers are set out below:

Deliverables	With respect to our software only solutions, we provide software systems that can be readily installed onto enterprise-level users' hardware equipment. With respect to our software plus hardware solutions, we also provide hardware equipment and/or network and other telecommunication resources in addition to our software systems bundled as total solution offerings.
Pricing	For more details, see "– Sales and Marketing – Pricing" in this section.

Payment	Our customer usually pays us upon invoice issued after its written acceptance of our delivery, and we may sometimes grant credit terms for certain customers.
Customer Support	We are typically obligated to provide basic maintenance services accessory to our software systems under our contracts with our customers. In very limited circumstances, we charge our customer separately on maintenance and/or upgrading services covering some or all of the solutions purchased under the agreement for the agreed period after the initial sales. For details, see "– Customer Support" in this section.
Termination	Besides natural expiration upon the contractual term, the agreement may be terminated by either party due to the other's uncured breaches or force majeure events.
Compliance	The customer certifies that all solutions and/or services will be used in compliance with all applicable laws and regulations.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and not to disclose to any third parties, which shall supersede the expiration of the agreement.

Top Customers

Sales amount generated from our five largest customers in each year of the Track Record Period amounted to RMB197.8 million, RMB192.0 million and RMB287.1 million, respectively, representing 43.0%, 37.2% and 35.4% of our total sales amount for the same years, respectively; sales amount generated from our largest customer in each year of the Track Record Period amounted to RMB58.5 million, RMB63.0 million and RMB80.2 million, respectively, representing 12.7%, 12.2% and 9.9% of our total sales amount for the same years, respectively.

The following tables set forth the details of our five largest customers in each year of the Track Record Period:

Five Largest Customers for 2021	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer F	A Beijing-based company providing commercial activities related services, and focusing on enterprise information management, customer service, economic information consulting and data processing	RMB80.5 million	System integrator	Enterprise-level solutions in finance industry	Since December 2017	58,543	12.7
Customer A	A Shanghai-based group providing professional and technical services, as well as software and information technology services, and focusing on IoV terminal development and sales, IoV platform and logistics information technology, as well as IoT technology	Approximately RMB17.8 million	System integrator	Enterprise-level solutions in city management and administration and automotive and transportation	Since July 2018	53,825	11.7

Five Largest Customers for 2021	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	%
Customer G	A Sichuan-based company providing internet infrastructure installation, maintenance and other value-added services, and focusing on computer hardware and software development, system integration and other technical services, as well as sales of computer hardware, software and auxiliary equipment	RMB45 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2019	39,474	8.6
Customer H	A Sichuan-based company providing software and information technology services, and focusing on software technology development, technology consulting and other internet services	RMB10 million	System integrator	Enterprise-level solutions in city management and administration	Since July 2020	23,607	5.1

Five Largest Customers for 2021	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer D	A Shaanxi-based company providing science and technology promotion and application services, and focusing on network and information security software development, as well as computer hardware, software and auxiliary equipment wholesale	RMB10 million	System integrator	Enterprise-level solutions in city management and administration	Since September 2020	22,358	4.9
Total						**197,807**	**43.0**

Five Largest Customers for 2022	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer A	A Shanghai-based group providing professional and technical services, as well as software and information technology services, and focusing on IoV terminal development and sales, IoV platform and logistics information technology, as well as IoT technology	Approximately RMB17.8 million	System integrator	Enterprise-level solutions in city management and administration and automotive and transportation	Since July 2018	62,982	12.2

Five Largest Customers for 2022	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer B	A Shanghai-based company providing software and information technology services, and focusing on technology development, transfer, and consulting services for network information, computers, and system integration technologies	RMB15 million	System integrator	Enterprise-level solutions in telecommunications industry	Since June 2017	50,635	9.8
Customer G	A Sichuan-based company providing internet infrastructure installation, maintenance and other value-added services, and focusing on computer hardware and software development, system integration and other technical services, as well as sales of computer hardware, software and auxiliary equipment	RMB45 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2019	32,402	6.3

Five Largest Customers for 2022	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer I/ Supplier A	A major telecommunications company in China focusing on telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	For details of the principal business of Customer I/ Supplier A, see "– Suppliers and Procurement – Top Suppliers" in this section	Promotion services	Since September 2021	23,351	4.5
Customer J	A Sichuan-based company providing software and information technology services, and focusing on basic and value-added telecommunication services, and technology development, consulting, transfer and other services	RMB30 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2021	22,651	4.4
Total						**192,021**	**37.2**

Five Largest Customers for 2023	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer A	A Shanghai-based group providing professional and technical services, as well as software and information technology services, and focusing on IoV terminal development and sales, IoV platform and logistics information technology, as well as IoT technology	Approximately RMB17.8 million	System integrator	Enterprise-level solutions in city management and administration and automotive and transportation	Since July 2018	80,168	9.9
Customer B	A Shanghai-based company providing software and information technology services, and focusing on technology development, transfer, and consulting services for network information, computers, and system integration technologies	RMB15 million	System integrator	Enterprise-level solutions in telecommunications industry	Since June 2017	59,450	7.3

Five Largest Customers for 2023	Company Background	Registered Capitals	Principal Business	Solutions/Services Provided by Us	Length of Relationship	Sales Amount	Percentage of Total Sales Amount
						RMB'000	*%*
Customer G	A Sichuan-based company providing internet infrastructure installation, maintenance and other value-added services, and focusing on computer hardware and software development, system integration and other technical services, as well as sales of computer hardware, software and auxiliary equipment	RMB45 million	System integrator	Enterprise-level solutions in city management and administration	Since May 2019	55,394	6.8
Customer L	A Beijing-based state-invested technology company focusing on energy informatization	Approximately RMB230.7 million	Enterprise-level user	Enterprise-level solutions in city management and administration	Since May 2023	54,070	6.7
Customer M	A Shanghai-based state-invested company focusing on radio and television broadcasting and satellite transmission services	Approximately RMB45.3 million	System integrator	Enterprise-level solutions in city management and administration	Since January 2023	38,005	4.7
Total						**287,087**	**35.4**

In each year of the Track Record Period, our five largest customers listed above used bank transfer to pay us. For details of our credit terms granted thereto, see "Financial Information – Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this prospectus. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year of the Track Record Period.

Customer Support

In our ongoing efforts to enhance customer satisfaction and improve service quality, we maintain a dedicated customer support and service team that is focused on real-time problem-solving with the ultimate goal of increasing customer experience and stickiness. In addition, we also gather feedback on how to improve our solutions, respond to customer suggestions, and take a lifecycle approach to customer support, supporting customers from onboarding, deployment, system integration, education and training, through maintenance and upgrades. Our goal is to enable our customers to focus on their business, free from diverting manpower and financial resources to system maintenance.

Given the highly standardized nature of our solutions, we rely on the expertise of our project teams and our rigorous quality control procedures to ensure that our solutions are properly examined before being sold. We are typically obligated to provide basic maintenance services accessory to our software systems under our contracts with our customers without any standalone contractual considerations or amounts specifically delineated as part of our total solution offerings. Moreover, system integrators as our direct customers normally do not anticipatorily procure from us upgrading services in relation to our software systems under the contracts pursuant to which we provide such software systems, but rather tend to procure the upgraded software systems themselves, if any, through entering into new contracts in future. In very limited circumstances, the contracts provide that our customers will specifically purchase from us maintenance and/or upgrading services for a minimum period of 12 months, from which we generated de minimis amounts of revenue that accounted for less than 1% of our total revenue during the Track Record Period. Our customer support and service team provides remote customer service 24 hours a day, and our engineers provide both remote and on-site technical support depending on the complexity of the issue. For issues caused by third parties, we assist customers with troubleshooting and coordinate with third parties to resolve the identified issues as fast as we can. Pursuant to the agreement with our third-party vendors who supply us with certain hardware components that we integrate into our solutions, our third-party vendors for quality maintenance in case of product defects and typically offer us full warranty for replacement on the hardware products affected. Such full warranty coverage typically runs for one to two years from the time of purchase by us. During the Track Record Period and up to the Last Practicable Date, we had not experienced any complaints that had any material adverse effect on our brand, business or results of operations, or any material sales returns or refunds.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers consisted primarily of (i) providers of hardware components such as communication devices, servers and computers that were or are to be integrated into our solutions; (ii) telecommunications companies with whom we cooperated for providing network and other telecommunication resources; (iii) providers of certain non-core and less sophisticated research and development programs; (iv) providers of cloud services; and (v) our business partners whose software/services were embedded into our solutions.

We typically engage reputable suppliers to ensure the quality of our solutions. We have established a set of internal measures on the evaluation and selection of suppliers by taking into account various factors, which primarily include (i) technological expertise and capabilities; (ii) quality of their products/services; (iii) commercial terms offered; (iv) business background, qualifications, credentials and market reputation; and (v) our project-specific demand. For the principal hardware components that we need for our software plus hardware solutions, we generally enter into an agreement with each supplier. The table below sets forth the salient terms of our typical procurement agreements:

Relationship with Supplier	Independent Third Parties and not that of a principal and an agent.
Purchasing Amount and Pricing	The purchasing amount and pricing for each type of products are subject to negotiation and stipulated in each agreement.
Transportation and Delivery	The specific delivery method is at our choice among shipment, picking up, etc., subject to our acceptance of the delivered products.
Payment	We usually make payment made and before delivery.
Product Quality	Suppliers are subject to standard quality control terms specified in each agreement.

For details of our long-term procurement agreement on network resources entered into with a major telecommunications company in China, see "– Top Suppliers" in this section.

The salient terms of our agreements with our third-party technology service providers during the Track Record Period are set out below:

Deliverables	Our third-party technology service providers are typically required to complete a technological development project based on our specific requirements and goals as set forth in the respective agreement. They shall complete the project within the prescribed time period, and deliver all relevant research and development work products and accompanying documents and materials to us, after which we are generally entitled to technical support and other auxiliary services.

Pricing	The price of technology services in each contract shall be determined through arm's lengths negotiations between us and our third-party technology service providers, based on the complexity of the project, the time necessitated for completing the project and the amount of human and other resources involved, etc.
Payment	We typically pay the technology service fees in instalments based on the progress of the relevant project or pay in full once.
Termination	Our technology service agreements may typically be terminated upon mutual consent between the parties, uncured breach by either party or force majeure events.
Attribution of IP results and other equipment, devices or materials	We are typically entitled to all intellectual properties conceived and developed during such technological development process, and have the exclusive right to commercialize or transfer any of such intellectual properties, including but not limited to the design drawings, technological secrets, technical materials, documents, source codes and applications. We are also entitled to all the equipment, devices or materials purchased or generated in such process, if any.
Confidentiality	Each party shall maintain confidentiality of information obtained in relation to the relevant agreement and not disclose to any third parties, which shall typically supersede the expiration or termination of the respective agreement.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any difficulties in procuring our major hardware components and/or other equipment and had not experienced significant fluctuations in the prices of our supplies. To the best knowledge of our Directors, there had been no breach of our procurement agreements with our suppliers during the Track Record Period. While we believe that we have established stable relationships with our key suppliers, we cannot assure that we will be able to maintain our working relationships with our major suppliers on similar terms, if at all, and are thus subject to risks associated with a shortage of qualified equipment and/or services. For risks associated with our suppliers, see "Risk Factors – Risks Relating to Our Business – Our arrangements with third-party business partners in our operations reduce our control over the quality, development and deployment of our solutions and could harm our business" in this prospectus.

Top Suppliers

Purchase amount from our five largest suppliers in each year of the Track Record Period amounted to RMB279.0 million, RMB336.0 million and RMB308.0 million, respectively, representing 72.6%, 65.9% and 63.0% of our total purchase amount for the same years, respectively; purchase amount from our largest supplier in each year amounted of the Track Record Period to RMB152.6 million, RMB136.7 million and RMB148.4 million, respectively, representing 39.7%, 26.8% and 30.4% of our total purchase amount for the same years, respectively. For details related thereto, see "Risk Factors – Risks Relating to Our Financial Position and Need for Additional Capital – We had a concentration of suppliers during the Track Record Period" in this prospectus.

The following table shows the details of our five largest suppliers in each year of the Track Record Period:

Five Largest Suppliers for 2021	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier A/ Customer I	A major telecommunications company in China. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	Telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing	Network resources and communication devices	Since September 2018	152,621	39.7
Supplier B	A Guangdong-based company providing integrated mobile phone services. Supplier B is the wholly-owned subsidiary of a Shenzhen Stock Exchange listed company	RMB1.2 billion	Telecommunications, radio and television broadcasting, and satellite transmission services	Communication devices	Since December 2017	43,452	11.3
Supplier D	A Jiangsu-based company focusing on the technological development, retail and after-sales of electronic products	RMB50 million	Software and information technology services	Communication devices	Since June 2020	31,024	8.1

Five Largest Suppliers for 2021	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier F	A Hunan-based company focusing on the research and development, sales and services of computers and related products. Supplier F is the subsidiary of a Shanghai Stock Exchange listed company	RMB20 million	Software and information technology services	Hardware, software and/or other services	Since September 2021	26,419	6.9
Supplier E	A Guangdong-based company focusing on rental and sales of electronic products. Supplier E is the subsidiary of a Shenzhen Stock Exchange listed company	RMB50 million	Wholesale	Communication devices	Since June 2020	25,505	6.6
Total						**279,021**	**72.6**

Five Largest Suppliers for 2022	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier A/ Customer I	A major telecommunications company in China. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	Telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing	Network resources, communication devices and other services	Since September 2018	136,682	26.8

Five Largest Suppliers for 2022	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier F	A Hunan-based company focusing on the research and development, sales and services of computers and related products. Supplier F is the subsidiary of a Shanghai Stock Exchange listed company	RMB20 million	Software and information technology services	Hardware, software and/or other services	Since September 2021	58,199	11.4
Supplier G	A Shandong-based company providing supply chain management and technical development and consulting services	RMB50 million	Warehouse loading and unloading services	Servers	Since September 2021	56,142	11.0
Supplier H	A Tianjin-based company focusing the sales of electronic products	RMB200 million	Retailing	Communication devices	Since July 2020	53,416	10.5
Supplier I	A Jiangsu-based company providing advertisements design, agency, production and publication, and public relations services	RMB10 million	Commercial services	Promotion services	Since October 2020	31,530	6.2
Total						**335,969**	**65.9**

Five Largest Suppliers for 2023	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier A/ Customer I	A major telecommunications company in China. Supplier A/Customer I is listed on the Stock Exchange and Shanghai Stock Exchange	Approximately RMB213.0 billion	Telecommunications, radio and television broadcasting, and satellite transmission services, as well as retailing	Network resources, communication devices and other services	Since September 2018	148,414	30.4
Supplier E	A Guangdong-based company focusing on rental and sales of electronic products. Supplier E is the subsidiary of a Shenzhen Stock Exchange listed company	RMB50 million	Wholesale	Communication devices	Since June 2020	57,803	11.8
Supplier B	A Guangdong-based company providing integrated mobile phone services. Supplier B is the wholly-owned subsidiary of a Shenzhen Stock Exchange listed company	RMB1.2 billion	Telecommunications, radio and television broadcasting, and satellite transmission services	Communication devices	Since December 2017	37,107	7.6
Supplier S	A Shandong-based company focusing on the construction of industry internet infrastructure and digitalization of the manufacturing industry	RMB200 million	Research and testing development services	Servers and other services	Since June 2023	36,870	7.5

Five Largest Suppliers for 2023	Company Background	Registered Capitals	Principal Business	Products/Services Purchased	Length of Relationship	Purchase Amount	Percentage of Total Purchase Amount
						RMB'000	*%*
Supplier Q	A Shanghai-based company focusing on the research and development, sales and services of computers and related products	RMB10 million	Software and information technology services	Communication devices and servers	Since December 2020	27,773	5.7
Total						**307,967**	**63.0**

Our largest supplier in each year of the Track Record Period, Supplier A, is a major telecommunications company in China, from which we procured network resources, WiFi coverage and related services for our city management and administration projects. We entered into a long-term procurement agreement with Supplier A, the salient terms of which are set out below:

Term	8 years from 2018 to 2026
Purchase Amount	Approximately RMB850.0 million
Payment	By 19 installments from 2018 to 2026
Termination	Besides natural expiration upon the contractual term and termination upon mutual consent, the agreement may be terminated by either party due to the other's uncured breaches

City management and administration projects usually involve the establishment of an intelligent town cluster where the infrastructure, administration, and various businesses of hundreds of towns are being unified and integrated into one cloud-based platform. Network resources are fundamental resources for enterprise-level participants in city management and administration projects. Our long-term cooperation with Supplier A provides us with large-scale and stable network resources at favorable rates. We use the network resources to empower our solution offerings and facilitate other enterprises' participation and cooperation with us in city management and administration projects. We also benefit from such network resources in the acquisition of new customers in city management and administration.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with Supplier A relating to the performance of the above procurement agreement, and we expect to maintain close and stable cooperation relationship with Supplier A in the foreseeable future. Upon expiration of the procurement agreement, we will discuss future cooperation with Supplier A based on our then business needs, and we believe that we can acquire similar network services at comparable costs in the future. Our Directors are of the view that we would be able to engage similar suppliers at comparable costs if the aforementioned procurement agreement with Supplier A was terminated or expired, given the network resources transacted thereunder being available from other similar telecommunications companies, as well as our large-volume need for the same.

During the Track Record Period, our aforementioned procurement of network resources from Supplier A took up most of our purchase amount therefrom, which amounted to RMB152.6 million, RMB136.7 million and RMB148.4 million in each year, in addition to procurement of hardware devices integrated into our solutions under separate procurement agreements. While such purchase amount was summarized by payment amount stipulated by the terms of the aforementioned long-term procurement agreement, the relevant procurement costs were expensed into our cost of revenue on a straight-line basis according to our accounting policies. It is primarily due to such reason that the network and other telecommunication resource costs under our cost of revenue remained largely the same from 2021 to 2023, but our purchase amount from Supplier A fluctuated during the same years. For details of the breakdown of our cost of revenue by nature, see “Financial Information – Description of Selected Components of Consolidated Statements of Profit or Loss – Cost of Revenue” in this prospectus.

In each year of the Track Record Period, we used bank transfer to pay our five largest suppliers listed above, and they settled with us on a delivery upon receipt of payment basis. As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who to the knowledge of our Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers in each year of the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Our largest supplier in each year of the Track Record Period, Supplier A, was also one of our five largest customers in 2022. During the Track Record Period, purchase amount from Supplier A in each year amounted to RMB152.6 million, RMB136.7 million and RMB148.4 million, respectively, representing 39.7%, 26.8% and 30.4% of our total purchase amount for the same years, respectively; sales amount generated from Supplier A in each year amounted to RMB3.1 million, RMB23.4 million and RMB10.3 million, respectively, representing 0.7%, 4.5% and 1.3% of our total sales amount for the same years, respectively. During the Track Record Period, we primarily purchased from Supplier A network resources for our city management and administration projects, as well as communication devices and other services integrated into our solutions. Our sales to Supplier A during the Track Record Period were primarily in relation to the promotion services that we provided for it. For details, see “Business – Our Solution Offerings” in this prospectus.

According to the iResearch Report, it is not uncommon for the enterprise-level conversational AI solution market in China to have overlapping customer-supplier relationships, considering that major participants within the enterprise-level conversational AI industry value chain, such as telecommunications companies and automobile companies, not only act as the primary suppliers for hardware components including communication devices, computers, network resources and vehicles, etc., necessary for offering integrated conversational AI solutions, but are also in need of enterprise-level conversational AI solutions themselves to improve their internal operational efficiency or empower users of their services and/or products. Our Directors confirm that each of our sales to and our purchases from the aforementioned overlapping customers-supplier were negotiated and conducted separately under normal commercial terms. Our Directors are of the view that such arrangements are mutually beneficial, given that we transacted with such customers-suppliers on an arm's-length basis. To the best knowledge and belief of our Directors, the aforementioned overlapping customers-supplier is an Independent Third Party. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who to the best knowledge of our Directors had owned more than 5% of our issued capital) had any interest in the aforementioned overlapping customers-supplier. Save as disclosed above, to the best knowledge of our Directors, we did not have any other overlap between our major customers and suppliers, during the Track Record Period.

LOGISTICS AND INVENTORIES MANAGEMENT

With respect to our solutions that combine software and hardware, the hardware components are typically directly delivered by the hardware component vendors to us, which are then configured and tested by us before delivering the software plus hardware solutions.

During the Track Record Period, our inventories primarily included communication devices, servers and computers, and perception equipment and accessories that were or are to be integrated into our solutions. As of December 31, 2021, 2022 and 2023, we had inventories of RMB112.5 million, RMB95.3 million and RMB6.2 million, respectively. We adopt a strict inventories control policy in place to monitor our stock levels and regularly track our inventories to keep them at a level sufficient to fulfill the orders. Our personnel responsible for supply management review the ageing of our inventories, prepare aging reports routinely and take necessary actions to minimize risks of obsolescence. In addition, we will from time to time review and make sufficient provisions if needed. Nevertheless, we may from time to time be subject to risks relating to the level of our inventories that we maintain. For details, see "Risk Factors – Risks Relating to Our Financial Position and Need for Additional Capital – We face risks of overstocking or under-stocking inventories" in this prospectus. During the Track Record Period, we did not procure hardware that was sourced from the U.S. and/or consisted of components which had embedded technologies originated from the U.S., other than consumer goods used internally or integrated into our solutions, including mobile phones, laptops, smart watches, tablets, and accessories (earphones, power adapters, etc.), as well as ordinary computer hardware including random-access memory (RAM) and servers. Our directors confirm that we would not face difficulty in procuring such consumer goods from origins other than the U.S., and there are plenty of alternatives of the same originated from the

PRC and other overseas countries to which we have access. Our access to such products and/or costs in procuring the same may be impacted by the trade war between the U.S. and other countries. For details, see "Risk Factors – Risks Relating to Our Business – The changes in international political relationships, trade policies and trade barriers, or the escalation of trade tensions, may have an adverse effect on our business operations" in this prospectus.

QUALITY CONTROL

We are committed to providing our solutions of consistently high quality. In compliance with industry standards, we have established a quality management system and formulated a set of quality control measures to closely monitor and standardize our full research-to-production cycle, including supervising the solution design process, managing solution requirement documents, specifying design and technology requirements for solution research and development, and handling solution defects. Our quality control and risk control staff closely monitor our operation process so as to make sure that our quality control measures are effectively implemented and we will keep upgrading our quality control system in course of future developments of our solutions. In addition, we have obtained multiple professional qualifications, which laid a solid foundation for the consistent delivery of high-standard solutions. We have registered ISO9001 (Quality Management System) and have been appraised at Capability Maturity Model Integration (CMMI V2.0) Level 3 Maturity for Development.

COMPETITION

We face competition especially in China's full-stack enterprise-level conversational AI solution market from other solution providers, in which the competition is primarily centered upon the providers' one-stop service capability, application-scenario expansion capability, service depth, delivery selectability, cost efficiency realized for users, and device compatibility. We face competitions from other companies that have transitioned from communication technology services to AI research and development and thus have full-stack service capabilities, traditional communication technology service companies, intelligent speech and semantic companies, and general AI companies. In addition, new and enhanced technologies may further increase competition in our industry. For details of the competitive landscape of the market in which we compete, see "Industry Overview – Market of IT Solutions Empowered by Conversational AI & UC in China – Market of Full-Stack Enterprise-Level IT Solutions Empowered by Conversational AI & UC in China – Competitive Landscape" in this prospectus. Leveraging our technologies, we believe we are well positioned in such market competition. For details, see "– Our Competitive Strengths" in this section.

With the introduction of new technologies and entry of new market participants, we expect the competition that we face to continue to intensify in the future. Moreover, some of our competitors may have greater resources, longer corporate operating history, or broader customer base and relationships than us. For details of the risks relating to the fierce competition that we face, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – As the industry in which we operate is highly competitive, our results of operations could be harmed if we do not effectively compete against our current or future competitor, which may particularly include major technology giants and cloud service companies” in this prospectus. In addition, we also face competition for highly skilled personnel, including management, software engineers and other research and development and sales and marketing staff with in-depth industry know-how. Our growth depends in part on our ability to retain our existing personnel and attract additional highly ones. For details, see “Risk Factors – Risks Relating to Our Business – Our business depends substantially on continuing efforts of our senior management, core technical personnel and other key staff, as well as a competent pool of talents supporting our existing operations and further growth. If we are unable to retain, attract, recruit and train such personnel, our business and future prospects may be materially and adversely affected” in this prospectus.

INTELLECTUAL PROPERTY

Our intellectual property is critical to our innovation which underpins our success. We rely on a combination of patents, copyrights, trademarks, domain names, trade secrets and other proprietary rights protection laws, as well as contractual provisions, to protect our intellectual property. We have designed and adopted comprehensive measures to protect our intellectual property. For instance, we strive to make timely registrations, filings and applications for our intellectual property rights. Further, we require our employees to enter into standard employment contracts that include confidentiality clauses and intellectual property ownership clauses stipulating that all patents, trademarks and any other intellectual property developed by them during their employment with us are our properties. For details of our material intellectual property rights, see “Appendix VI – Statutory and General Information – B. Further Information About the Business of the Company – 2. Our Material Intellectual Property Rights” to this prospectus.

As of the Latest Practicable Date, we had not been subject to any material disputes or claims for infringement upon third parties’ intellectual property rights. Notwithstanding the fact that we intend to protect our intellectual property rights vigorously, there can be no assurance that our efforts will be successful. Unauthorized use of our intellectual properties by third parties and expenses incurred to protect our intellectual property rights may materially and adversely affect our business and operations. For details, see “Risk Factors – Risks Relating to Our Business – We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies” in this prospectus. Moreover, third parties may from time to time initiate litigations or other legal proceedings against us alleging infringement of their proprietary rights or otherwise challenging the validity of our intellectual property rights. For details, see “Risk Factors – Risks Relating to Our Business – We may be subject to intellectual property infringement claims, which could be time-consuming and costly to defend and may result in diversion of our financial and management resources” in this prospectus.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

Making a positive environmental, social and governance ("**ESG**") impact on our communities is an integral part of our business and essential to our sustainable development. We are committed to being a responsible corporate citizen, abiding by applicable laws and generally accepted ethical principles, and increasing the wellness of the society. As we vision ourselves to provide solutions that catalyze progression of society and facilitate communications among various enterprises, organizations and individuals, we attach great importance to ESG matters. Leveraging our technologies, we thrive for creating sustainable value for our business partners, customers, investors, employees and society, hence building a healthy, vibrant and sustainable ecosystem.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to non-compliance in relation to health, work safety or environmental laws and regulations and had not had any accident, or received any claim for personal or property damage made by our employees which had materially and adversely affected our financial condition or business operations. During the Track Record Period and up to the Latest Practicable Date, as confirmed by our PRC Legal Adviser, we had complied with the applicable PRC laws, regulations and rules relating to resources consumption and environmental protection in all material respects. Our Directors considered that the annual costs for compliance with the applicable health, work safety or environmental laws and regulations were not material during the Track Record Period and we do not expect such costs to be material going forward.

Governance on ESG Matters

Our ESG policies primarily focus on areas such as environmental impacts, employment safety and social responsibilities, and we believe we have adequate policies ensuring compliance with laws and regulations thereon. Our Board of Directors has the collective responsibility for formulating, adopting and reviewing our ESG vision, policies and targets, and regularly evaluating, determining and addressing our ESG-related risks and opportunities. Under the oversight of our Board of Directors, our management actively identifies and monitors the actual and potential impact of ESG-related risks and opportunities on our business, strategy and financial performance, and incorporates such consideration thereinto. Our management will assess the likelihood of ESG-related risks occurring and the estimated magnitude of any potential impact. Our management may engage independent third party(ies) to evaluate our ESG-related risks and review our existing strategy, target and internal controls, and improvement will then be implemented to mitigate the risks. As part of our efforts to promote corporate social responsibility and sustainable development, we are in the process of optimizing our ESG policies and plan to establish an ESG working group responsible for overseeing and guiding our ESG initiatives pursuant to our internal control policies. We aim to officially adopt our ESG policies and establish our ESG working group upon the Listing. When necessary, we may also identify, assess, manage and mitigate ESG-related risks by setting up dedicated project task forces that will report to our ESG committee regularly. Moreover, we may engage professional external ESG consultants to help us establish and improve our ESG policies and standards.

Environmental Impacts and Protection

Given that we operate our business primarily in the office, we do not operate any production facilities but instead conduct a majority of our operations online, which we believe does not impose material threats to the environment or the climate. Therefore, we are not subject to significant environmental risks, and do not expect that we will incur any material liabilities in this regard that would have any material adverse impact on our business and results of operations.

Nonetheless, we have made significant efforts towards environmental protection and energy efficiency. We intend to develop solutions aiming to help enterprises and other organizations across various end-customer industries enhance the effectiveness for communications and thereby enable greater sustainability.

Metrics and Targets

We have assessed quantitative information that reflects our management of ESG-related risks, which primarily includes greenhouse gas ("**GHG**") emissions and energy consumption. While our GHG emissions and energy consumption increased during the Track Record Period along with the growth of our business scale, we do not involve in material emissions or consumption due to our business nature. Besides, given that substantially all of our operations are carried out in the office, the individual water consumption wherein by our employees from office facilities are generally included in the management fee or complimentary, and there were thus no available records during the Track Record Period. Considering the sporadic nature of water consumption in association of our operations, our Directors are of the view that the wastewater generated therefrom is relatively limited. We adhere to and appreciate the importance of integrating green development into daily operation, aiming at conducting our business in an environmentally friendly manner. To move forward with the goals, we will adopt resource conservation management policies and encouraging resource consumption efficiency and saving behaviors among our employees during our daily operations to further reduce water consumption.

Our GHG emissions are consisted principally of scope 1 direct GHG emissions resulting from burning of fuels in vehicles, scope 2 indirect GHG emissions resulting from purchased electricity and scope 3 other indirect emissions resulting from business travel by employees. The following table sets forth the breakdown of our estimated GHG emissions in each year of the Track Record Period:

	Year ended December 31,		
	2021	**2022**	**2023**
GHG emissions			
Scope 1 direct emissions (tonnes CO_2 equivalent)	6.3	5.7	4.3
Scope 2 indirect emissions (tonnes CO_2 equivalent)	32.6	43.3	74.0
Scope 3 other indirect emissions* (tonnes CO_2 equivalent)	22.4	15.0	56.3
Total GHG emissions (tonnes CO_2 equivalent)	61.3	64.0	134.6
Overall GHG emissions intensity (tonnes CO_2 equivalent/revenue RMB'000)	0.000133	0.000124	0.000166

Note:

* Best estimates based upon air travel made by our employees that were job-related according to our internal booking record

The following table sets forth the breakdown of our energy consumption in each year of the Track Record Period:

	Year ended December 31,		
	2021	**2022**	**2023**
Energy consumption			
Electricity consumption (kWh)	53,465.0	71,034.4	121,318.2
Electricity consumption intensity (kWh/revenue RMB'000)	0.12	0.14	0.15

Our electricity consumption and electricity consumption intensity increased significantly during the Track Record Period, primarily due to the incorporation of various subsidiaries under our Group and thus our expanded operational scales, which also contributed to the significant increase in our total GHG emissions and overall GHG emissions intensity during the same years. Our GHG emissions resulting from business travel by employees increased in 2023 as compared with 2022, which was in line with the expansion of our business presence into wider geographical areas and hence the greater travel needs. The decrease in such emissions in 2022 in comparison with 2021 was mainly a result of the impact of COVID-19. We will make continuous efforts in effectively managing the level of our annual GHG emissions and energy consumption. Our Board will set targets at the beginning of each financial year in accordance with the disclosure requirements of Appendix C2 to the Listing Rules and other relevant rules and regulations upon the Listing. The relevant targets will be reviewed on an annual basis to ensure that they remain appropriate to our needs. In setting the ESG-related targets, we will take into account not only our historical discharge or consumption levels, but also our future business expansion in a thorough and prudent manner with a view of balancing business growth and environmental protection to achieve sustainable development. Specifically, we aim to continuously manage the level of our energy consumption which contributed primarily to our GHG emissions during the Track Record Period, ultimately towards the target of limiting the increase in our GHG emissions by not more than 20% in 2025 as compared to our overall GHG emissions intensity in 2022. In addition, we also aim to implement sustainable and environment-friendly practices to reduce the carbon emission, energy consumption and other environmental impacts arising from our business operations, including: (i) conducting trainings and remainders for our employees on electricity and paper saving, such as turning off unnecessary air conditioning, lighting and power equipment in a timely manner when the devices are not in operation and before they leave the premises, and waste classification and recycling; (ii) arranging daily inspections of office areas to save electricity energy; (iii) encouraging low-carbon and environmentally friendly travel; (iv) actively digitalizing our business and promoting a paperless office where double-sided printing is encouraged with respect to documents that must be printed; and (v) setting up waste sorting containers separately so as to recycle and/or re-use used batteries and papers, among other work wastes, to the extent possible. We are dedicated to enhancing the efficiency of electricity and water consumptions in our operations to fulfill our environmental and social responsibility.

By the end of December 2023, our AI empowerment computing center had run online through certain third-party provider of server hosting services, and the power consumption therefrom was insignificant during the Track Record Period. However, in anticipation of the increase in such power consumption to enable the required computing needs, we have been formulating plans on energy-saving and environmental protection, which will be implemented once the computing center is being formally operated. Specifically, we will implement energy-saving power consumption systems to set energy-saving targets regularly. For instance, we will use "power usage effectiveness" (PUE) to evaluate the energy consumption efficiency of the computing center, which equals the total energy consumption from the operation of the computing center divided by energy consumption generated from IT equipment. As a PUE figure closer to one indicates less non-IT equipment related energy consumption and thus higher efficiency, we currently expect an average PUE around 1.3977 annual at the computing center. We will strive to achieve such targets through various measures to optimize the use of equipment and other facilities via technologies on waste heat recovery, indirect evaporative cooling and improvement of heat dissipation system, etc. We will also encourage our employees to adopt energy-saving practices comprehensively. In addition, we expect to use renewable energy as much as possible to power the operation of the computing center. We will actively seek out opportunities to source electricity from clean energy sources such as solar energy to reduce our carbon footprint. Same as other ESG-related risks and opportunities, our management will conduct regular environmental impact assessments to identify potential risks related to the operation of the computing center and implement measures to mitigate them, so as to ensure that it is being operated in an environmentally responsible manner.

Employment Safety

We do not operate any production facilities, and are therefore not subject to significant health, work or safety risks. To ensure compliance with applicable laws and regulations, our human resources team would, if necessary, adjust our human resources policies from time to time to accommodate material changes to relevant labor and safety laws and regulations. Furthermore, as we believe that having a balanced lifestyle is crucial to achieving a good mindset at work, we encourage employees to maintain good mental and physical health by participating in sports and recreational activities. With respect to our safety policy, we require all employees to follow our safety rules and receive safety training, which includes fire drills and videos on evacuation as well as other fire safety measures.

Social Responsibilities

Corporate social responsibility is viewed as part of our core growth philosophy that will be pivotal to our ability to create sustainable value by embracing diversity and public interests. In respect of social responsibility policies, we are committed to cultivating a collaborative company culture that inspires teamwork. We value the contribution of each employee in different roles and strive to provide a fair and balanced compensation scheme that offers proper incentives. We also encourage our employees to treat each other with care and respect and to feel cared and respected. We will continue to foster a positive working atmosphere while enhancing equal job opportunities for all.

We hire employees based on their merits and it is our corporate policy to offer equal opportunities to our employees regardless of gender, age, race, religion or any other social or personal characteristics, and provide training programs to keep our employees abreast of industry and regulatory developments. We will also continue to invest in the training and career development of our employees covering corporate culture, employee rights and responsibilities, job performance, technical skills and safety management.

In addition, we are committed to corporate responsibility projects through charitable endeavors. For instance, in 2021, we made donations to an elderly care home in Shanghai through a charitable organization for upgrading its shower facilities so as to fulfill our social responsibilities for the underprivileged in our local communities. Also, we participated in an east-west collaboration initiative between Minhang District, Shanghai and Yun County, Yunnan, and have made donations to the villages within the county since 2021, which were used for constructions of the living, production and recreational equipment and facilities there. Our fulfilling social responsibilities also lies in our empowerment of various city administrative projects that help improve social life and security. For details, see "– Our Solution Offerings – Voicecomm Solutions – City Management and Administration" in this section.

Climate Change

Due to the nature of our business, we had not experienced any material impact on our business operations, strategies or financial performance as a result of climate-related incidents as of the Latest Practicable Date. However, we recognize the importance of the identification and mitigation of significant climate-related issues and are committed to managing the potential climate-related risks which may impact our business activities.

Specifically, we have identified potential risks from the climate change that may have potential implications on our business and general operations. For instance, our business may potentially be negatively impacted under extreme weather events as the safety of our employees will be threatened and the power grid or communication infrastructures may be damaged, which will expose us to risks associated with nonperformance or delayed performance of our solutions. Extreme weather may also cause disruptions for our suppliers, which may in turn adversely impact our ability to provide on-premises deployment or technical support for our customers. To minimize the potential risks and hazards, our management will actively respond to the relevant policies of local governments, make contingency plans to ensure the safety of our staff. In the case of acute physical risks such as direct damage to assets and indirect impacts from supply chain disruption as a result of extreme weather events, we will also make the corresponding disaster preparedness plans. In any event, we will explore emergency plans to further reduce our venerability to extreme weather events in order to enhance business robustness.

In addition, we expect changes of the regulatory, technological and market landscape in the course of achieving the global vision on carbon neutrality, due to climate change, including the tightening of national policies and applicable listing rules and the emergence of environmentally related taxes. Stricter environmental laws and regulations may expose us to higher risks of claims and lawsuits, which might incur additional compliance costs and affect our reputation. In anticipation of the potential policies and legal risks as well as the reputational risks, our management constantly monitors any changes in laws or regulations and national and international trends on climate change to avoid cost increments, non-compliance fines or reputational damages due to delayed response.

EMPLOYEES

As of December 31, 2023, we had 319 full-time employees, the majority of which were based in our headquarter in Shanghai. The following table sets forth the number of our full-time employees by function as of December 31, 2023:

Function	Number of Employees	% of Total
Management	6	1.9
Research and Development	215	67.4
Marketing, Finance, General Administrative, Project Implementation and Solution Support	98	30.7
Total	319	100.0

Our success depends on our ability to attract, recruit, retain and motivate qualified personnel, and we believe that our high-quality talent pool is one of our core strengths. We adopt high standards and strict procedures in our recruitment to ensure the quality of new hiring and use various methods for our recruitment, including campus recruitment, online recruitment, internal recommendation and recruiting through executive search, to satisfy our demand for different types of talents.

We provide regular and specialized training tailored to the needs of our employees in different departments. Our employees can also improve their skills in the course of the research and development and commercialization of our solutions and through mutual learning among colleagues. New employees will receive pre-job training and general training. In addition, we regularly evaluate the performance of our employees and reward those who perform well with higher compensation or promotion.

In compliance with the relevant PRC labor laws, we enter into standard employment contracts with our employees covering matters such as terms, wages and bonuses, employee benefits, confidentiality obligations and grounds for termination. We are required under the applicable PRC laws and regulations to contribute to employee social insurance and housing provident funds at specified percentages of the salaries, bonuses and certain allowances of our employees up to a maximum amount specified by the local governments from time to time. As advised by our PRC Legal Adviser, if any of the relevant social insurance authorities is of the view that we have failed to make full social insurance contributions for our employees in accordance with the relevant laws and regulations, it may order us to pay outstanding amounts within a prescribed time limit and subject us to a late charge at the daily rate of 0.05% on the outstanding amounts from the date on which such amounts are payable. If such payment is not made within the prescribed period, the relevant authorities may further impose a fine one to three times the amount of any overdue payment. In addition, if any of the relevant housing provident fund authorities is of the view that we have failed to make full housing reserve fund contributions for our employees in accordance with the relevant laws and regulations, it may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to PRC courts for compulsory enforcement.

We had historically engaged third-party human resource agencies to make contributions to social insurance and housing provident funds for our employees during the Track Record Period. Based upon the fact that we obtained official written letters from the competent social insurance and housing fund authorities, confirming that no administrative penalty had been imposed on us for violating any applicable laws or regulations during the Track Record Period, our PRC Legal Adviser is of the view that our historical contributions to the relevant employees' social insurance and housing provident funds through third-party human resource agencies had not violated the relevant PRC laws and regulations in material aspects, considering that (i) we had undertaken to timely rectify in the event that we were ordered to pay social insurance and housing provident funds for our employees through our own accounts; (ii) starting from November 2023, we have fully rectified the matter by entering into termination agreements with the relevant third-party human resource agencies and making contributions to employee social insurance and housing provident funds completely by ourselves going forward; (iii) the employees for whom we paid social insurance and housing provident funds through third-party human resource agencies have confirmed that they agree with such arrangements and will not claim any responsibility against us; and (iv) we had not received any notice from any relevant government authorities, as of the Latest Practicable Date, requiring us to rectify or subjecting us to any penalties for engaging third-party human resource agencies.

As of the Latest Practicable Date, our employees were not represented by any labor union. We believe that we maintain a good working relationship with our employees, and, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with our employees.

INSURANCE

We consider our insurance coverage to be adequate as we have in place all the mandatory insurance policies required by PRC laws and regulations and in accordance with the commercial practices in our industry. Our employee-related insurance consists of pension insurance, maternity insurance, unemployment insurance, work-related injury insurance and medical insurance, as required by PRC laws and regulations, and we also purchase supplemental commercial medical insurance for our employees. In addition, we maintain property insurance for our machines, equipment and furniture, among other fixed assets, as well as public liability insurance.

In line with general market practice, we do not maintain any business interruption insurance, key man life insurance or insurance policies covering damages to our network infrastructures or information technology systems which are not mandatory under PRC laws or regulations. For details, see "Risk Factors – Risks Relating to Our General Operations – Our insurance coverage may be limited and expose us to significant costs and business disruption" in this prospectus.

PROPERTIES

According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice and Chapter 5 of the Listing Rules, this prospectus is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of December 31, 2023, none of the properties leased by us had a carrying amount of 15% or more of our total assets.

Our corporate headquarter is located in Shanghai, China. As of the Latest Practicable Date, we did not own any properties, and leased ten properties in Shanghai, Shandong, Jiangsu, Chongqing, Beijing, Hainan and Sichuan, with an aggregate gross floor area of approximately 13,103.22 sq.m.. The following table sets forth the details of properties leased by us as of the Latest Practicable Date:

No.	Location	Usage	Leased Area	End of Lease Term
			(Approximate sq.m.)	
1.	Shanghai	Office, R&D	1,099.13	March 14, 2027
2.	Zibo, Shandong	Office, R&D	855.71	June 30, 2027
3.	Suzhou, Jiangsu	R&D	410.00	February 28, 2025
4.	Nanjing, Jiangsu	Office	118.51	May 31, 2026
5.	Chongqing	Office	236.00	June 5, 2025
6.	Shanghai	Office, R&D	186.50	April 30, 2026
7.	Beijing	Office	15.00	April 27, 2025
8.	Zibo, Shandong	Office	9,551.47(1)	February 22, 2025
9.	Haikou, Hainan	Office	501.44	June 30, 2024(2)
10.	Chengdu, Sichuan	Office	129.46	July 23, 2025

Notes:

(1) As of the Latest Practicable Date, we planned to use the building as a facility for customer services pursuant to our cooperation with the local governmental entity. For details, see "– Our Technologies – AI Technologies – AI Empowerment Computing Center" in this section.

(2) While the lease agreement was entered into in May 2023, we only started to use the leased property after August 2023 by staffing our personnel on-site.

In the event that any of our leases expire after the end of their respective lease term, we would need to seek alternative premises and incur relocation costs. We believe that there are alternative properties at comparable rental rates available on the market, the use of which would not materially and adversely affect our business operations, and we thus do not rely on the existing leases for our business operations. For details of the risks with respect to our leased properties, see "Risk Factors – Risks Relating to Our General Operations – Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our offices and facilities could materially and adversely affect our business and results of operations" in this prospectus.

As of the Latest Practicable Date, our aforementioned leased properties in China had not been registered with the relevant PRC governmental authorities, as the relevant registering procedures require cooperations by the respective lessor. According to our PRC Legal Adviser, the failure to do so does not in itself invalidate the leases, but we may be ordered by the relevant PRC governmental authorities to rectify such non-compliance and, if we fail to do so within a given period of time, we may be subject to fines ranging from RMB1,000 and RMB10,000 for each of our unregistered lease agreements. As such, we estimate that the maximum penalty we might be subject to with respect to these unregistered leased properties as of the Latest Practicable Date would be approximately RMB100,000, which we believe is immaterial. Our Directors are of the view that such failure to register will not have any material adverse effect on our financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any notice or allegation of penalty from PRC government authorities for each of our unregistered lease agreements. For details, see "Risk Factors – Risks Relating to Regulatory Compliance – Our leased property interests may be defective and our right to lease or use the properties may be challenged" in this prospectus.

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we received various awards, honors and recognitions that have demonstrated our advanced technological and innovative capabilities, which primarily include:

Award, Honor or Recognition	Year	Awarding Entity
Shanghai "Specialized, Refined, Characterized and Innovative" Small and Medium-Sized Enterprise (上海市"專精特新"中小企業)	2021-2022	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)
Selected in "Digital China, You and Me" Information and Communication Industry Innovation and Entrepreneurship Outstanding Entrant Project ("數字中國有你有我"信息通信行業創新創業優秀入庫項目)	2021	China Association of Communication Enterprises (中國通信企業協會)
"Golden Voice" – China Best All Media Intelligent Customer Service Solution Award, 2021 (金音獎 – 2021中國最佳全媒體智能客服解決方案獎)	2021	China Best Customer Contact Center & Customer Experience Selection Committee (中國最佳客戶聯絡中心與卓越客戶體驗評選組委會), 51callcenter (呼叫中心與BPO行業資訊網), 4PS Contact Center International Standards Organization (4PS聯絡中心國際標準組織), China Contact Center & BPO Association (中國呼叫中心與BPO產業聯盟), and China Contact Center Industry Self-Discipline and Supervision Committee (全國呼叫中心行業自律與監督委員會)

Award, Honor or Recognition	Year	Awarding Entity
Second prize, ISCSLP 2022 Conversational Short-Phrase Speaker Diarization Challenge (ISCSLP2022會話短語音說話人日誌挑戰賽亞軍)	2022	Institute of Acoustics, Chinese Academy of Sciences (中國科學院聲學研究所), Northwestern Polytechnical University (西北工業大學), Agency for Science, Technology and Research (新加坡A*STAR信息通信研究所), Shanghai Jiao Tong University (上海交通大學) and Magic Data (北京愛數智慧科技有限公司)
"Golden Voice" – China Best Customer Contact Center Technology Solution of the Year Awards, 2022 (金音獎 – 2022中國最佳客戶聯絡中心技術解決方案獎)	2022	China Best Customer Contact Center & Customer Experience Selection Committee (中國最佳客戶聯絡中心與卓越客戶體驗評選組委會), 51callcenter (呼叫中心與BPO行業資訊網), 4PS Contact Center International Standards Organization (4PS聯絡中心國際標準組織), China Contact Center & BPO Association (中國呼叫中心與BPO產業聯盟), and China Contact Center Industry Self-Discipline and Supervision Committee (全國呼叫中心行業自律與監督委員會)
2021 Shanghai Computer Society Science and Technology Award – Technological Invention Award (2021年度上海市計算機學會科學技術獎 – 技術發明獎)	2022	Shanghai Computer Society (上海市計算機學會)
Information System Construction and Service Capability (CS2) Grade Certificate (信息系統建設和服務能力(CS2)等級證書)	2022	China Federation of Electronics and Information Industry (中國電子信息行業聯合會)
Shanghai Enterprise Technology Center (上海市企業技術中心)	2023	Shanghai Municipal Commission of Economy and Informatization (上海市經濟和信息化委員會)

Award, Honor or Recognition	Year	Awarding Entity
Outstanding Innovation Award in the First Science and Technology Innovation Conference of Shanghai Xinzhuang Industry Park (上海市莘莊工業區首屆科技創新大會傑出創新獎)	2023	Shanghai Xinzhuang Industry Park Management Committee (上海市莘莊工業區管理委員會)

During the Track Record Period and up to the Latest Practicable Date, awards, honors and recognitions related to our commercialization achievements, sales and marketing capabilities, as well as recognition from our business partners granted to us or our key personnel primarily included:

Award, Honor or Recognition	Year	Awarding Entity
Contracts Observing and Promises Keeping Enterprise – Class AAA (2021-2024) (AAA級重合同守信用獎杯(2021-2024))	2021	China Business Credit Public Service Platform (中國商務誠信公共服務平台) and Huaxia Zhongcheng (Beijing) International Credit Evaluation Co., Ltd. (華夏眾誠(北京)國際信用評價有限公司)
The 19th China Information Technology Service Intelligent Customer Service Industry Conference – 2020-2021 Best Manager in China* (第十九屆中國最佳客戶聯絡中心及最佳管理人評審 – 2020-2021年度中國最佳管理人)	2021	Customer Contact Center Standard Committee (CCCS客戶聯絡中心標準委員會)
Baidu AI Cloud – Favored Value-Added Sales Partner (百度智能雲 – 優選級增值銷售夥伴)	2021	Beijing Baidu Netcom Science and Technology Co., Ltd. (北京百度網訊科技有限公司)
Guangzhou Unicom Outstanding Partner in 2021 (廣州聯通2021年度優秀合作夥伴)	2022	China United Network Communications Corporation Limited Guangzhou Branch (中國聯合網絡通信有限公司廣州市分公司)
Hunan Unicom Outstanding Partner in 2022 (湖南聯通2022年度優秀合作夥伴)	2023	China United Network Communications Corporation Limited Hunan Branch (中國聯合網絡通信有限公司湖南市分公司)

Note:

* Granted to Mr. SUN.

In addition, we and our key personnel received a number of awards, honors and recognitions on corporate governance and general operations during the Track Record Period and up to the Latest Practicable Date, which primarily included:

Award, Honor or Recognition	Year	Awarding Entity
2020 (4th) Boao Enterprise Forum – China (Industry) Leader Enterprise (2020(第四屆)博鰲企業論壇 – 中國(行業)領軍企業)	2021	China Business Herald (中國商報社) and CEN.CN (中國企業網)
2020 (4th) Boao Enterprise Forum – China (Industry) Leader Entrepreneur* (2020(第四屆)博鰲企業論壇 – 中國(行業)領軍人物)	2021	China Business Herald (中國商報社) and CEN.CN (中國企業網)
2021 Outstanding Enterprise Award (2021年度優秀企業獎)	2022	Shanghai Xinzhuang Industry Park Management Committee (上海市莘莊工業區管理委員會)
Top Companies to Watch for Investors in 2022 (2022年度最受投資人關注企業)	2023	Shanghai Equity Exchange (上海股權託管交易中心)

Note:

* Granted to Mr. TANG.

LICENSES AND PERMITS

As confirmed by our PRC Legal Adviser, as of the Latest Practicable Date, we had obtained all material requisite licenses, permits and approvals from the relevant government authorities for our operations in the PRC, and such licenses, permits and approvals remained in full effect. The following table sets forth the details of the material licenses and permits necessary for our operations held by us as of the Latest Practicable Date:

License/Permit	License/ Permit No.	License/ Permit Holder	Grant Date	Expiration Date
High and New Technology Enterprise Certificate (高新技術企業證書)	GR202131004988	Company	December 23, 2021	December 22, 2024
Quality Management System Certificate ISO9001 (質量管理體系認證證書ISO9001)	00922Q10023R3M	Company	January 10, 2022	January 9, 2025
VAT License (增值電信業務經營許可證), covering internet access services business	B1-20235473	Sichuan Voicecomm Zhishi	November 14, 2023	November 14, 2028

Sichuan Voicecomm Zhishi will apply for a renewal of the existing VAT License with the certificate number of "B1-20235473" after the Listing, and will continue to hold a VAT License which includes ISP services (for internet users only), being a qualification required for our business operations. We will conduct ISP services (for internet users only) through Sichuan Voicecomm Zhishi. In accordance with current laws and regulations of the PRC, ISP services do not fall within the types of value-added telecommunication services subject to restrictions on foreign investment access in the PRC. Moreover, according to the *Opinions on Further Opening Up Value-Added Telecommunication Services in the China (Shanghai) Pilot Free Trade Zone* (《關於中國(上海)自由貿易試驗區進一步對外開放增值電信業務的意見》) issued on January 6, 2014 and the *Special Management Measures for Foreign Investment Access in Free Trade Pilot Zones (negative list)* (《自由貿易試驗區外商投資准入特別管理措施(負面清單)》) issued on December 27, 2021, the foreign shareholding ratio for ISP services (for internet users only) in the China Pilot Free Trade Zone could exceed 50%. Considering that Sichuan Voicecomm Zhishi is registered in the China (Sichuan) Pilot Free Trade Zone, as a qualified company, and would hold a VAT License which includes ISP services (for internet users only) after the Listing, the foreign shareholding ratio therefor may exceed 50%. In addition, based on the consultation with relevant authority, our PRC Legal Adviser confirmed that, after the Listing, Sichuan Voicecomm Zhishi holding a VAT License which includes ISP services (for internet users only) will continue to comply with relevant foreign investment access policies and regulations of the PRC with respect to ISP services.

We intend to apply for renewal of our key licenses and permits, the procedures for which is expected to be initiated timely prior to their respective expiration date. The successful renewal of our existing licenses, permits and approvals will be subject to our fulfillment of relevant requirements. As of the Latest Practicable Date, our Directors were not aware of any reason that would cause or lead to the non-renewal of our existing licenses, permits and approvals. Our PRC Legal Adviser confirmed that, as of the Latest Practicable Date, there was no substantial legal impediment for us to renew our existing licenses, permits and certificates as long as we would comply with the relevant legal requirements.

LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, financial condition, results of operations, reputation or compliance. Our Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, we were not involved in any non-compliance incidents which would, individually or in aggregate, have a material adverse effect on our business as a whole. As confirmed by our PRC Legal Adviser, our business operations had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

From time to time, we may be involved in legal proceedings, investigations, administrative penalties or other claims or disputes arising in the ordinary course of our business. For risks and uncertainties relating thereto, see "Risk Factors – Risks Relating to Our General Operations – We may be involved in legal proceedings and commercial disputes, which could have a material adverse effect on our business, financial condition and results of operations" in this prospectus.

RISK MANAGEMENT AND INTERNAL CONTROL

We are exposed to various risks for our operations so risk management is important for our business. For details of the various operational risks we face, see "Risk Factors" in this prospectus. In addition, we are also exposed to various financial risks, such as credit and liquidity risks that arise in the normal course of our business. For details, see "Financial Information – Risk Disclosures" in this prospectus. In order to identify, assess, and control the risks that may cause impediments to our business, we have established and implemented comprehensive risk management and internal control systems consisting of policies and procedures that we consider appropriate for various aspects of our business operations, and are dedicated to continuously improving these systems.

Our Board of Directors is collectively responsible for the establishment and updating of our risk management and internal control systems, while our management proactively monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional teams, and also conducts periodic review of the implementation thereof, to ensure their effectiveness and sufficiency. Risks identified by our management will be analyzed on the basis of likelihood and impact, and properly followed up, mitigated and rectified, and reported to our Board of Directors. Specifically, we have adopted and implemented the following risk management and internal control policies and protocols.

Operational Risk Management

We are faced with operational risks relating to our daily operations, which primarily arise from inadequate or failed internal processes, human errors, IT system failures or external events. We consider these operational risks to be the key risks in our business and believe that, with adequate operational policies and procedures, these inherent risks can be controlled and mitigated. We take a comprehensive approach with regard to operational risk management, and implement mechanisms with detailed and decentralized responsibilities and clear rewards and punishment systems. Different departments are collectively responsible for ensuring the compliance of our daily operations with our internal procedures. We also reiterate the importance of adherence to our operational protocols and procedures to our employees and, in particular, new employees, to ensure effective implementation of our operational protocols and procedures.

We also developed a robust risk management system monitoring and addressing risks in our daily operations such as through the management of our internal financial records, company chops, seals and signatures, key properties and business files. In the event of a major adverse event, the matter will be escalated to our CEO and the Board of Directors to take appropriate measures. Through effective operational risk management, we expect to control operational risks within a reasonable range by identifying, measuring, monitoring and containing the same to reduce potential losses. To ensure the continuity of our business, we have also put in place contingency plans for detecting and responding to emergency incidents. In the event of an emergency incident, our contingency plans set out prescribed response protocols applicable to our various department. We continue to assess the effectiveness of our contingency plans, and would perform reviews after each emergency incident to identify potential areas for improvement. We also conduct regular emergency response drills to ensure our employees are familiar with our response protocols.

Legal and Compliance Risk Management

Our business is subject to the regulation and supervision by national, provincial and local government authorities with regard to our business operations, which may be subject to changes. For further details on the applicable laws and regulations in relation to our business operations, see “Regulatory Overview” in this prospectus. We have designed and adopted strict internal procedures to achieve effective identification and management of compliance risk and ensure that our operations are in compliance with applicable laws and regulations. We maintain internal procedures to ensure that we have obtained all material requisite licenses, permits and approvals for our business operations, and conduct regular reviews to monitor the status and effectiveness of such licenses, permits and approvals. We obtain requisite governmental approvals or consents, including preparing and submitting all necessary documents for filing with relevant government authorities, within the prescribed regulatory timelines. We have also in place detailed internal procedures to ensure that our in-house legal personnel review our solutions, including upgrades to existing solutions, for regulatory compliance before they are made available to the general public. In addition, we strengthen our legal and compliance risk management by monitoring legal updates, including updates on the interpretation of applicable laws and regulations by relevant regulatory authorities, and accordingly updating our internal protocols and procedures in a timely manner.

Financial Reporting Risk Management

We have adopted comprehensive accounting policies in connection with our financial reporting risk management, such as financial reporting management policy, budget management policy, treasury management policy, financial statements preparation policy, and finance staff management policy. We have various procedures and IT systems in place to implement our accounting policies, and our finance department reviews our management accounts based on such procedures. In addition, we provide ongoing training to our finance staff to ensure that these policies are well-observed and effectively implemented.

Intellectual Property Risk Management

We have implemented a set of comprehensive measures to protect our intellectual property. For instance, our legal personnel will ensure that all necessary applications, renewals or filings for trademark, copyright and patent registrations have been timely made to the competent authorities. Moreover, we conduct uniform and centralized intellectual property management, which requires that any application, implementation, authorization or transfer of our intellectual property rights will need to be subject to the approval of our management. In addition, any of our intellectual property rights, as long as it is owned by one of our subsidiaries, can be shared among our Group members for usage, sales or promise to sell relevant solutions.

Anti-Bribery and Anti-Corruption Risk Management

We have in place anti-bribery and anti-corruption policies to safeguard against any bribery, corruption and fraud in violation of applicable anti-corruption and anti-bribery laws and regulations within our Group, which prohibits any bribery or corruption activities by the employees, either for the pursuit of improper personal benefits or improper interests of our Group. The policies provide guidance on anti-corruption and anti-bribery practices, and explain potential bribery and corruption conduct and our anti-bribery and corruption measures. We keep accurate books and records that reflect the substance of transactions and asset dispositions in reasonable details, and will not approve a transaction or payment if the books and records do not reflect the substance thereof. We conduct routine trainings for our employees regarding our anti-bribery and anti-corruption policies to facilitate better implementation. We make our internal reporting channel open and available for our staff to report any suspicious bribery and corruption acts, which may be anonymous. Any reported incidents and personnel will be investigated and handled in a prompt, independent and fair manner, and appropriate measures will be taken.

Information System and Data Security Risk Management

We have established an information system and data security risk management framework, including relevant internal control policies and risk management mechanisms to ensure information and data security, which primarily consists of:

- internal authentication and authorization systems that set forth confidentiality categorization and control access to data, so that confidential and data with importance can only be accessed for authorized use and limited purposes, and by authorized personnel;

- procedures for regular data backup, encryption and desensitization to prevent unauthorized access, leakage, improper use or modification of, damage to or loss of data;

- adoption of multiple layers of safeguards, including both internal and external firewalls and anti-virus software, to identity and protect us against security attacks;

- procedures for regular system check, password policy and data recovery test to safeguard our information assets and ensure the proper data management;

- information security incident management policies that evaluate critical risks and set forth emergency plans for data security incidents;

- provision of information security training to our employees from time to time;

- security audits to be performed periodically and on an as-needed basis so as to strengthen our security measures based on results thereof, which may include vulnerability scanning and intrusion detection, data inspection and risk identification, and security evaluation of idle equipment, etc.; and

- engagement of if necessary external legal counsel to review and update our internal policies and ensure continuous compliance with all applicable laws and regulations;

Human Resources Risk Management

We have established risk management and internal control policies covering various aspects of human resource management such as recruitment, training, work ethics and legal compliance. We maintain high standards in recruitment with strict procedures to ensure the quality of new hires and provide specialized training sessions tailored to the needs of our employees in different departments. Through these trainings, we ensure that our staff's skill sets remain up-to-date, enabling them to better meet customers' needs. We also conduct periodic performance reviews for our employees, and their remuneration is performance-based. We have in place an employee handbook and a code of conduct approved by our management and have distributed the same to all our employees. The handbook contains internal rules and guidelines regarding work ethics, and fraud, negligence and corruption prevention mechanisms. We monitor the implementation of internal risk management and internal control policies on a regular basis to identify, manage and mitigate internal risks in relation to potential incompliance with our code of conduct and violations of our internal policies or illegal acts at all levels of our Group.

Investment Risk Management

As we may invest in or acquire businesses that are complementary to ours and aligned with our overall growth strategies, such as businesses that can expand our solution offerings and strengthen our technological capabilities, we have established investment project evaluation and approval processes. Our management will review and determine all new investments and major disposals. Specifically, it will be responsible for our investment project sourcing, screening, due diligence, risk assessment, valuation, execution and post-investment monitoring in accordance with our investment strategies. Each investment is assessed with consideration of strategic values, risks, business synergies and potential return of the project to be invested.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Global Offering, we have also adopted or will adopt, among other things, the following risk management and internal control measures:

- the establishment of an audit committee responsible for overseeing our financial records, internal control procedures and risk management systems. For details of the qualifications and experiences of these committee members as well as a detailed description of the responsibility of our audit committee, see "Directors, Supervisors and Senior Management – Board Committees – Audit Committee" in this prospectus;

- the appointment of Mr. Wenzhao ZHANG as our chief financial officer and Ms. Yihan LIU and Mr. Willie Kai Cheong CHEUNG as our joint company secretaries to ensure the compliance of our operations with relevant laws and regulations. For details of their biographies, see "Directors, Supervisors and Senior Management" in this prospectus;

- the appointment of Maxa Capital Limited as our compliance advisor upon the Listing to advise us on compliance with the Listing Rules; and

- the engagement of external legal advisers to advise us on compliance with the Listing Rules and to ensure our compliance with the relevant regulatory requirements and applicable laws, where necessary.

OUR CONTROLLING SHAREHOLDERS

Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of our Company or upon the termination of the Concert Party Agreement. For details, see "History, Development and Corporate Structure – Concert Party Arrangement" in this prospectus.

As of the Latest Practicable Date, by virtue of the Concert Party Agreement, Mr. Tang, Mr. Sun and Jiangfan Technology were collectively entitled to exercise voting rights of approximately 35.97% of the voting rights in our Company, among which:

(i) Mr. Tang was able to exercise approximately 27.66% of the voting rights in our Company through (a) his personal capacity as to approximately 11.26%; and (b) Voicecomm Rongzhi as to approximately 16.40%. Voicecomm Rongzhi is a company established in the PRC which is owned as to 99.00% by Mr. Tang and 1.00% by Ms. Xu (the spouse of Mr. Tang);

(ii) Mr. Sun was able to exercise approximately 7.54% of the voting rights in our Company through (a) his personal capacity as to approximately 5.80%; and (b) Jiageng Culture as to approximately 1.74%. Jiageng Culture is a company established in the PRC which is wholly-owned by Mr. Sun; and

(iii) Jiangfan Technology was able to exercise approximately 0.77% of the voting rights in our Company. Jiangfan Technology is wholly owned by Jiangcheng Asset Management, which is in turn owned as to 60.0% by Mr. Yang, our non-executive Director, and 40.0% by Mr. Jiang Haisheng (姜海生) (For background of Mr. Jiang Haisheng (姜海生), see "History, Development and Corporate Structure – Series B Financing" in this prospectus). Notwithstanding Mr. Jiang Haisheng (姜海生) only holds 40% of equity interests in Jiangcheng Asset Management, Mr. Yang and Mr. Jiang Haisheng (姜海生) confirmed that they are parties acting in concert with respect to Jiangcheng Asset Management, and hence they jointly control Jiangfan Technology and Jiangcheng Asset Management.

As such, Mr. Tang, Ms. Xu (the spouse of Mr. Tang and holding 1% of the equity interests in Voicecomm Rongzhi), Voicecomm Rongzhi, Mr. Sun, Jiageng Culture, Mr. Yang, Mr. Jiang Haisheng (姜海生) (holding indirectly 40% of the equity interests in Jiangfan Technology), Jiangcheng Asset Management (the holding company of Jiangfan Technology) and Jiangfan Technology were collectively entitled to exercise voting rights of approximately 35.97% of the total issued shares of our Company as at the Latest Practicable Date, and are considered as a group of controlling shareholders of our Company before the Listing. Immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised), Mr. Tang, Ms. Xu, Voicecomm Rongzhi, Mr. Sun, Jiageng Culture, Mr. Yang, Mr. Jiang Haisheng (姜海生), Jiangcheng Asset Management and Jiangfan Technology will be collectively entitled to exercise voting rights of approximately 31.54% of the total issued shares of our Company, and hence they will be a group of controlling shareholders of our Company.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Controlling Shareholders confirmed that they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules. Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their respective close associates after the Listing.

Management Independence

Our Board comprises two executive Directors, four non-executive Directors and four independent non-executive Directors. Although Mr. Tang, Mr. Sun and Mr. Yang being members of our Controlling Shareholders, also serves as our executive Directors or non-executive Director, our Directors believe that our Board and senior management will function independently from our Controlling Shareholders for the following reasons:

1. each Director is aware of his/her fiduciary duties as a Director of our Company which requires, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;

2. in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in the quorum;

3. our Board comprises ten Directors, and four of them are independent non-executive Directors, which represents more than one-third of the members of our Board. Our independent non-executive Directors have extensive experience in different areas and have been appointed in accordance with the requirements of the Listing Rules to ensure that the decisions of our Board are made after due consideration of independent and impartial opinions; and

4. our senior management members are independent from our Controlling Shareholders. They are experienced in the industry which we are engaged in. Accordingly, they are able to discharge their duties independently from our Controlling Shareholders.

Having considered the above factors, our Directors are satisfied that they are able to perform their roles in our Company independently, and our Director are of the view that we are capable of managing our business independently from our Controlling Shareholders following the completion of the Global Offering.

Operational Independence

We have full rights to make all decisions on, and to carry out, our own business operations independently. Our Company, through our subsidiaries, holds the licenses and qualifications necessary to carry on our current business, and has sufficient capital, facilities, technology and employees to operate the business independently from our Controlling Shareholders. We have access to third parties independently from and not connected to our Controlling Shareholders for sources of suppliers and customers.

Based on the above, our Directors are satisfied that we will be able to function and operate independently from our Controlling Shareholders and their respective close associates.

Financial Independence

During the Track Record Period and up to the Latest Practicable Date, we have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control functions of our Company, independent from our Controlling Shareholders. We can make financial decisions independently and our Controlling Shareholders do not intervene with our use of funds. We have also established an independent audit system, a standardized financial and accounting system and a complete financial management system.

During the Track Record Period and up to the Latest Practicable Date, we entered into various facility agreements and loan agreements with certain banks ("**Lending Banks**"), pursuant to which we obtained loans from the Lending Banks which were secured by personal guarantees provided by some of our Controlling Shareholders and/or their spouses, namely Mr. Tang, Ms. Xu (the spouse of Mr. Tang), Mr. Sun and his spouse. These loans were generally used for supplementing the working capital of the Group, payment of procurement costs and/or other financial needs in the ordinary and usual course of our business operation. As of the Latest Practicable Date, (i) the guarantees provided by some of our Controlling Shareholders and/or their spouses with respect to credit facilities in the aggregate amount of approximately RMB300.0 million granted by the relevant Lending Banks will be released prior to the Listing as agreed by the relevant banks; and (ii) the remaining loans in the aggregate amount of approximately RMB38.0 million secured by the guarantees provided by our Controlling Shareholders and/or their spouses have been fully repaid.

In addition, we had been capable of obtaining financing from third parties without relying on any guarantee or security provided by the members of our Controlling Shareholders or their respective associates.

Based on the above, our Directors are of the view that we will be able to maintain financial independence from our Controlling Shareholders and their respective close associates after the Listing.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders' interests. We have adopted the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

(a) our Articles provide that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his or her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;

(b) a Director with material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest and abstain from the board meetings on matters in which such Director or his or her associates have a material interest, unless attendance or participation of such Director at such meeting of our Board is specifically requested by a majority of our independent non-executive Directors;

(c) we are committed that our Board should include a balanced composition of executive Directors and independent non-executive Directors. We have appointed independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. Details of our independent non-executive Directors are set out in the section headed "Directors, Supervisors and Senior Management" in this prospectus;

(d) as required by the Listing Rules, our independent non-executive Directors shall review all connected transactions annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interest of our Shareholders as a whole;

(e) our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in its annual reports or by way of announcements as required by the Listing Rules;

(f) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(g) we have appointed Maxa Capital Limited as our compliance advisor to provide advice and guidance to us in respect of compliance with the applicable laws and regulations in Hong Kong, as well as the Listing Rules, including various requirements relating to corporate governance.

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

This section presents certain information regarding our share capital prior to and following the completion of the Global Offering.

BEFORE THE GLOBAL OFFERING

As of the Latest Practicable Date, our registered share capital was RMB31,059,230 comprising 31,059,230 Unlisted Shares with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE GLOBAL OFFERING

Assuming the Over-allotment Option is not exercised, the share capital of our Company immediately after the Global Offering and the Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares[2]	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering
Unlisted Shares	22,433,317	63.33%
H Shares converted from Unlisted Shares[1]	8,625,913	24.35%
H Shares to be issued pursuant to the Global Offering	4,365,660	12.32%
Total	35,424,890	100.00%

Notes:

(1) Please refer to the section headed "History, Development and Corporate Structure – Shareholding structure of our Company" in this prospectus for details of the identities of the Shareholders whose Shares will be converted into H Shares upon Listing.

(2) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.

Assuming the Over-allotment Option is exercised in full, the share capital of our Company immediately after the Global Offering and the Conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares[2]	Number of Shares	Approximate percentage of the enlarged issued share capital after the Global Offering[3]
Unlisted Shares	22,433,317	62.18%
H Shares converted from Unlisted Shares[1]	8,625,913	23.91%
H Shares to be issued pursuant to the Global Offering	5,020,500	13.92%
Total	36,079,730	100.00%

Notes:

(1) Please refer to the section headed "History, Development and Corporate Structure – Shareholding structure of our Company" in this prospectus for details of the identities of the Shareholders whose Shares will be converted into H Shares upon Listing.

(2) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares.

(3) The aggregate of the percentage figures in the above table may not add up to 100% due to rounding of the percentage figures to two decimal places.

PUBLIC FLOAT REQUIREMENTS

Rules 8.08(1)(a) and (b) of the Listing Rules require there to be an open market in the securities for which listing is sought and for a sufficient public float of an issuer's listed securities to be maintained. This normally means that (i) at least 25% of the issuer's total issued share capital must at all times be held by the public; and (ii) where an issuer has one class of securities or more apart from the class of securities for which listing is sought, the total securities of the issuer held by the public (on all regulated market(s) including the Stock Exchange) at the time of listing must be at least 25% of the issuer's total issued share capital.

In light of the above, at the time of the Listing, at least 25.0% of the total issued share capital of our Company shall be held by the public (as defined in the Listing Rules).

OUR SHARES

Upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, our Company would have Unlisted Shares and H Shares. Both Unlisted Shares and H Shares are ordinary shares in the share capital of our Company and are regarded as one class of Shares. Apart from certain qualified domestic institutional investors in the PRC, certain PRC qualified investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed by or traded among legal and natural persons of the PRC.

The Unlisted Shares and H Shares will rank pari passu with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this prospectus.

All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Unlisted Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

Our Unlisted Shares are unlisted Shares which are currently not listed or traded on any stock exchange.

According to stipulations by the State Council securities regulatory authority and the Articles of Association, the Unlisted Shares may be converted into H Shares. Such converted Shares may be listed or traded on an overseas stock exchange provided that the conversion and trading of such converted Shares shall only be effected after all requisite internal approval process have been duly completed and the approval from the relevant PRC regulatory authorities (including the CSRC) and the relevant overseas stock exchange have been obtained.

In addition, such conversion and trading shall in all respects comply with the regulations prescribed by the State Council securities regulatory authority and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

If any of the Unlisted Shares are to be converted to H Shares and to be traded on the Stock Exchange, such conversion requires the approval of the relevant PRC regulatory authorities, including the CSRC. Approval of the Stock Exchange is required for the listing of such converted Shares on the Stock Exchange. Subject to fulfilling the procedures below, our Company may apply for the listing of all or any portion of the Unlisted Shares on the Stock Exchange as H Shares before any proposed conversion so that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of shares for entry on the H Share register. As any listing of additional Shares after our Company's initial listing on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require prior application for listing as at the time of our Company's initial listing in Hong Kong. A vote by our Shareholders in general meeting is not required for the listing and trading of the converted Shares on an overseas stock exchange. Any listing of the converted Shares on the Stock Exchange after the initial listing is subject to prior notification by way of announcement to inform Shareholders and the public of any proposed conversion.

After all the requisite approvals have been obtained, the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and our Company will re-register such Shares on the H Share register maintained in Hong Kong and instruct the H Share Registrar to issue H Share certificates. Registration on the H Share register of our Company will be on the conditions that (i) the H Share Registrar lodges with the Stock Exchange a letter confirming the entry of the relevant H Shares on the H Share register and the due dispatch of H Share certificates; and (ii) the admission of the H Shares to be traded on the Stock Exchange complies with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on the H Share register of our Company, such Shares would not be listed as H Shares.

The Company has applied for the Conversion of Unlisted Shares into H Shares, which involves 8,625,913 Shares held by 30 Shareholders. For details, see “History, Development and Corporate Structure – Shareholding structure of our Company” in this prospectus for further details.

RESTRICTIONS OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the Listing Date.

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors and members of senior management of our Company.

For details of the lock-up undertaking given by our Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see “Underwriting – Undertakings pursuant to the Listing Rules and the Hong Kong Underwriting Agreement – Undertakings by the Controlling Shareholders” in this prospectus.

SHAREHOLDERS' GENERAL MEETINGS

For details of circumstances under which Shareholders' general meeting are required, see "Appendix V – Summary of Articles of Association" to this prospectus.

REGISTRATION OF SHARES NOT LISTED ON AN OVERSEAS STOCK EXCHANGE

According to the Notice of Centralized Registration and Deposit of Non-overseas Listed Shares of Companies Listed on an Overseas Stock Exchange (《關於境外上市公司非境外上市股份集中登記存管有關事宜的通知》) issued by the CSRC, our Company is required to register its shares that are not listed on any overseas stock exchange with China Securities Depository and Clearing Corporation Limited within 15 Business Days upon the Listing and provide a written report to the CSRC regarding the centralized registration and deposit of our Shares that are not listed on the overseas stock exchange as well as the offering and listing of our H Shares.

So far as our Directors are aware, immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares and without taking into account any H Shares which may be issued pursuant to the exercise of the Over-allotment Option, the following persons will have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

LONG POSITIONS IN THE SHARES OF OUR COMPANY

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares(12)	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date(1)	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)
Mr. Tang(3) & (4)	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Unlisted Shares	11,099,558	35.74%	31.33%	49.48%
		H Shares	72,000	0.23%	0.20%	0.55%
Voicecomm Rongzhi(3) & (4)	Interest in a controlled corporation; interest held jointly with another person	Unlisted Shares	11,099,558	35.74%	31.33%	49.48%
		H Shares	72,000	0.23%	0.20%	0.55%
Ms. Xu(3) & (4)	Spousal interest	Unlisted Shares	11,099,558	35.74%	31.82%	49.48%
		H Shares	72,000	0.23%	0.20%	0.55%

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares[12]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date[1]	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]
Mr. Sun[(3) & (5)]	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%
Jiageng Culture[(3) & (5)]	Interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%
Mr. Yang[(3), (6) & (7)]	Interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%
Mr. Jiang Haisheng (姜海生)[(3), (6) & (7)]	Interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares[12]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date[1]	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]
Jiangcheng Asset Management[(3), (6) & (7)]	Interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%
Jiangfan Technology[(3), (6) & (7)]	Beneficial owner; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%
Zibo Yingke Jiyun Venture Capital Partnership (Limited Partnership) (淄博盈科吉運創業投資合夥企業(有限合夥)) ("**Yingke Jiyun**")[(8) & (13)]	Beneficial owner	Unlisted Shares H Shares	1,200,000 1,200,000	3.86% 3.86%	3.39% 3.39%	5.35% 9.24%
Zibo Caijin Holding Group Co., Ltd. (淄博市財金控股集團有限公司) ("**Zibo Caijin**")[(8)]	Interest in controlled corporation	Unlisted Shares H Shares	1,200,000 1,200,000	3.86% 3.86%	3.39% 3.39%	5.35% 9.24%
Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司) ("**Yingke Innovation**")[(8)]	Interest in controlled corporation	Unlisted Shares H Shares	1,825,000 1,825,000	5.88% 5.88%	5.15% 5.15%	8.14% 14.05%
Mr. Qian Mingfei (錢明飛) ("**Mr. Qian**")[(8)]	Interest in controlled corporation	Unlisted Shares H Shares	1,825,000 1,825,000	5.88% 5.88%	5.15% 5.15%	8.14% 14.05%

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares[12]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date[1]	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]
Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司) ("**Chenqi Information**")[9]	Beneficial owner	Unlisted Shares H Shares	827,000 1,500,000	2.66% 4.83%	2.33% 4.23%	3.69% 11.55%
Mr. Shi Yerong (石業嶸) ("**Mr. Shi**")[9]	Interest in controlled corporation	Unlisted Shares H Shares	827,000 1,500,000	2.66% 4.83%	2.33% 4.23%	3.69% 11.55%
Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥)) ("**Jiaxing Shangyu**")[10]	Beneficial owner	Unlisted Shares H Shares	500,000 1,300,000	1.61% 4.19%	1.41% 3.67%	2.23% 10.01%
Ms. Gu Luying (顧陸英)[10]	Interest in controlled corporation	Unlisted Shares H Shares	500,000 1,300,000	1.61% 4.19%	1.41% 3.67%	2.23% 10.01%
Shanghai Qifeng Investment Management Co., Ltd. (上海啟鳳投資管理有限公司) ("**Qifeng Investment**")[10]	Interest in controlled corporation	Unlisted Shares H Shares	500,000 1,800,000	1.61% 5.80%	1.41% 5.08%	2.23% 13.86%
Mr. Zhao Qi (趙琦)[10]	Interest in controlled corporation	Unlisted Shares H Shares	500,000 1,800,000	1.61% 5.80%	1.41% 5.08%	2.23% 13.86%

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares[12]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date[1]	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]
Mr. Zhao Fenggao (趙鳳高)[10]	Interest in controlled corporation	Unlisted Shares	500,000	1.61%	1.41%	2.23%
		H Shares	1,800,000	5.80%	5.08%	13.86%
Jiaxing Chengshun Phase II Equity Investment Partnership (Limited Partnership) 嘉興誠順貳期股權投資合夥企業(有限合夥) ("**Jiaxing Chengshun Phase II**")[11] & [14]	Beneficial owner	Unlisted Shares	1,538,462	4.95%	4.34%	6.86%
Chengmeng (Shanghai) Equity Investment Fund Management Co., Ltd. (誠盟(上海)股權投資基金管理有限公司) ("**Chengmeng (Shanghai)**")[11]	Interest in controlled corporation	Unlisted Shares	1,538,462	4.95%	4.34%	6.86%
Mr. Fan Jue (樊珏)[11]	Interest in controlled corporation	Unlisted Shares	1,538,462	4.95%	4.34%	6.86%
Mianyang Xintou Dinghua Equity Investment Partnership (Limited Partnership) (綿陽新投鼎華股權投資合夥企業(有限合夥)) ("**Mianyang Xintou Dinghua**")[11]	Interest in controlled corporation	Unlisted Shares	1,538,462	4.95%	4.34%	6.86%

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares(12)	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date(1)	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)
Mianyang Sci-Tech City New Area Investment Holding (Group) Co., Ltd. (綿陽科技城新區投資控股(集團)有限公司) ("**Mianyang Sci-Tech City New Area Investment**")(11)	Interest in controlled corporation	Unlisted Shares	1,538,462	4.95%	4.34%	6.86%
Zibo Bokai Venture Capital Co., Ltd. (淄博博開創業投資有限公司)(13)	Beneficial owner	Unlisted Shares	500,000	1.61%	1.41%	2.23%
Qingdao Yingke Value Venture Capital Partnership (L.P.) (青島盈科價值創業投資合夥企業(有限合夥))(13)	Beneficial owner	Unlisted Shares	625,000	2.01%	1.76%	2.79%
	Beneficial owner	H Shares	625,000	2.01%	1.76%	4.81%
Qingdao Huazi Shengtong Equity Investment Fund Partnership (Limited Partnership) (青島華資盛通股權投資基金合夥企業(有限合夥))(13)	Beneficial owner	H Shares	500,000	1.61%	1.41%	3.85%

Name of Shareholder	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares(12)	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date(1)	Approximate percentage of shareholding in the total issued share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)	Approximate percentage of shareholding in our Unlisted Shares/H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)
Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥))(14)	Beneficial owner	Unlisted Shares	745,000	2.40%	2.10%	3.32%
Chengdu Technology Innovation Investment Group Co., Ltd. (成都科技創新投資集團有限公司)(14)	Beneficial owner	Unlisted Shares	603,000	1.94%	1.70%	2.69%
Neijiang High-tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司)(14)	Beneficial owner	Unlisted Shares	461,538	1.49%	1.30%	2.06%
Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州樊道鼎華股權投資合夥企業(有限合夥))(14)	Beneficial owner	Unlisted Shares	500,000	1.61%	1.41%	2.23%
		H Shares	250,000	0.80%	0.71%	1.92%

Notes:

(1) The calculation is based on the total number of 31,059,230 Shares in issue as at the Latest Practicable Date, including 22,433,317 Unlisted Shares and 8,625,913 Unlisted Shares which will be converted into H Shares upon completion of the Global Offering.

(2) The calculation is based on the total number of 22,433,317 Unlisted Shares and 12,991,573 H Shares in issue upon Listing (comprising (i) an aggregate of 8,625,913 Shares to be converted from Unlisted Shares; and (ii) 4,365,660 Shares to be issued pursuant to the Global Offering, without taking into account the H Shares which may be issued upon the exercise of Over-allotment Option).

(3) Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "History, Development and Corporate Structure – Concert Party Arrangement" in this prospectus. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.

(4) As at the Latest Practicable Date, Shares in which Mr. Tang is interested consist of (i) 3,498,000 Unlisted Shares held by him in his own personal capacity; (ii) 5,093,558 Unlisted Shares held by Voicecomm Rongzhi, a company held as to 99% by Mr. Tang and 1% by his spouse, in which Mr. Tang is deemed to be interested under the SFO; and (iii) 2,580,000 Unlisted Shares (among which 72,000 Unlisted Shares will be converted to H Shares upon Listing) in which Mr. Tang is deemed to be interested as a result of being a party acting-in-concert with Mr. Sun, and Jiangfan Technology.

(5) As at the Latest Practicable Date, Shares in which Mr. Sun is interested consist of (i) 1,800,000 Unlisted Shares held by him in his own personal capacity; (ii) 540,000 Unlisted Shares held by Jiageng Culture, a company is wholly-owned by Mr. Sun, in which Mr. Sun is deemed to be interested under the SFO; and (iii) 8,831,558 Unlisted Shares (among which 72,000 Unlisted Shares will be converted to H Shares upon Listing) in which Mr. Sun is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Jiangfan Technology.

(6) Jiangfan Technology is wholly-owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang and 40.0% by Mr. Jiang Haisheng (姜海生). By virtue of the SFO, each of Mr. Yang and Mr. Jiang Haisheng (姜海生) is deemed to be interested in the Shares that Jiangfan Technology is interested in.

(7) As at the Latest Practicable Date, Shares in which Jiangfan Technology is interested consist of (i) 240,000 Unlisted Shares (among which 72,000 Unlisted Shares will be converted to H Shares upon Listing) held by it in its own capacity; and (ii) 10,931,558 Unlisted Shares in which Jiangfan Technology is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Mr. Sun.

(8) Zibo Caijin is a limited partner of Yingke Jiyun, which directly holds 24.5% of partnership interests of Yingke Jiyun and is further deemed to be interested in 12.5% of partnership interests of Yingke Jiyun through its interests in more than one-third of equity interests in Zibo Qilu Venture Capital Co., Ltd. (淄博齊魯創業投資有限責任公司) (being a limited partner holding 12.5% of partnership interests in Yingke Jiyun). In light of the above and by virtue of the SFO, as Zibo Caijin is deemed to be interested in an aggregate of more than one-third of the partnership interests in Yingke Jiyun, Zibo Caijin is deemed to be interested in the Shares held by Yingke Jiyun.

Yingke Innovation is the general partner of Yingke Jiyun and Qingdao Yingke Value Venture Capital Partnership (L.P.) (青島盈科價值創業投資合夥企業(有限合夥)) ("**Qingdao Yingke**"), which held 2,400,000 Unlisted Shares (among which 1,200,000 Unlisted Shares will be converted to H Shares upon Listing) and 1,250,000 Unlisted Shares (among which 625,000 Unlisted Shares will be converted to H Shares upon Listing), respectively, as at the Latest Practicable Date. Further, more than one-third of the equity interests of Yingke Innovation is held by Mr. Qian. As a result, by virtue of SFO, Mr. Qian and Yingke Innovation are deemed to be interested in the Shares held by Yingke Jiyun and Qingdao Yingke.

(9) Chenqi Information is wholly owned by Mr. Shi. As a result, by virtue of SFO, Mr. Shi is deemed to be interested in the Shares held by Chenqi Information.

(10) Qifeng Investment is the general partner of Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥)) ("**Jiaxing Shangyu**") and Jiaxing Laida Investment Partnership (Limited Partnership) (嘉興萊達投資合夥企業(有限合夥)) ("**Jiaxing Laida**"), which held 1,800,000 Unlisted Shares (among which 1,300,000 Unlisted Shares will be converted to H Shares upon Listing) and 500,000 Unlisted Shares (all of which will be converted to H Shares upon Listing), respectively, as at the Latest Practicable Date.

Qifeng Investment is in turn held as to approximately 54.50% and 45.50% by Mr. Zhao Qi (趙琦) and Mr. Zhao Fenggao (趙鳳高), respectively. As a result, by virtue of the SFO, Mr. Zhao Qi (趙琦), Mr. Zhao Fenggao (趙鳳高) and Qifeng Investment are deemed to be interested in the Shares held by Jiaxing Shangyu and Jiaxing Laida.

Jiaxing Shangyu has two limited partners, with Ms. Gu Luying (顧陸英) holding approximately 74.23% of the partnership interest in Jiaxing Shangyu. As a result, by virtue of the SFO, Ms. Gu Luying (顧陸英) is deemed to be interested in the Shares held by Jiaxing Shangyu.

(11) Chengmeng (Shanghai) is the general partner of Jiaxing Chengshun Phase II, which is held as to 70% by Mr. Fan Jue (樊珏). As a result, by virtue of SFO, Mr. Fan Jue (樊珏) and Chengmeng (Shanghai) are deemed to be interested in the Shares held by Jiaxing Chengshun Phase II.

Further, Mianyang Xintou Dinghua is a limited partner holding 49.95% of the partnership interests in Jiaxing Chengshun Phase II. Mianyang Xintou Dinghua is in turn held as to 0.1% by Chenguan Dinghua (being the general partner of Mianyang Xintou Dinghua) and 99.9% by Mianyang Sci-Tech City New Area Investment (being the limited partner of Mianyang Xintou Dinghua). Chenguan Dinghua is wholly owned by Zhongguan Fitness Asset Management Co., Ltd. (中關健體資產管理有限公司) ("**Zhongguan Fitness AM**") which is in turn held as to 95% by Health and Sports Development Center of China Care for the Next Generation Working Committee (中國關心下一代工作委員會健康體育發展中心). Mianyang Sci-Tech City New Area Investment is held as to approximately 81.6% by Mianyang Science and Technology City New District Management Committee (綿陽科技城新區管理委員會). As a result, by virtue of SFO, Mianyang Xintou Dinghua, Chenguan Dinghua, Zhongguan Fitness AM, the Health and Sports Development Center of China Care for the Next Generation Working Committee, Mianyang Sci-Tech City New Area Investment and the Mianyang Science and Technology City New District Management Committee are also deemed to be interested in the Shares held by Jiaxing Chengshun Phase II.

In addition, Chenguan Dinghua is a general partner of Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥)) ("**Bodao Dinghua**"), which held 750,000 Unlisted Shares (among which 250,000 Unlisted Shares will be converted to H Shares upon Listing) as at the Latest Practicable Date. As a result, by virtue of the SFO, Chenguan Dinghua, Zhongguan Fitness AM and the Health and Sports Development Center of China Care for the Next Generation Working Committee are deemed to be interested in the Shares held by Bodao Dinghua.

(12) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(13) The relevant Shareholder is ultimately under the supervision and management of the Shandong Provincial People's Government.

(14) The relevant Shareholder is ultimately under the supervision and management of the Sichuan Provincial People's Government.

Save as disclosed above and in "C. Further information about Directors, Supervisors and substantial shareholders – 1. Disclosure of interests" in Appendix VI to this prospectus, our Directors are not aware of any persons who will, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), have interests and/or short positions in Shares or underlying Shares which would fall to be disclosed 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 share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group.

OVERVIEW

Our Board consists of ten Directors, comprising two executive Directors, four non-executive Directors and four independent non-executive Directors. Pursuant to the Articles of Association, our Directors are elected and appointed by our Shareholders at a Shareholders' meeting for a term of three years, which is renewable upon re-election and re-appointment.

The following table sets forth certain information with respect to our Directors as at the Latest Practicable Date:

Members of our Board:

Name	Age	Position in our Group	Date of appointment as a Director	Date of joining our Group	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Mr. Tang Jinghua (湯敬華)	47	Chairman and executive Director	December 5, 2005 *(Note)*	December 5, 2005	Responsible for the overall strategy, planning and deployment, and technology research and development of our Company	None
Mr. Sun Qi (孫琪)	49	Executive Director and general manager	April 26, 2015	October 10, 2012	Responsible for the overall operation and business development of our Group	None
Mr. Yang Xiaoyuan (楊曉源)	47	Non-executive Director	May 28, 2018	May 28, 2018	Responsible for providing guidance and advice on the corporate and business strategies to the Board	None

Name	Age	Position in our Group	Date of appointment as a Director	Date of joining our Group	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Mr. Tan Xiaobo (譚曉波)	46	Non-executive Director	April 19, 2019	April 19, 2019	Responsible for providing guidance and advice on the corporate and business strategies to the Board	None
Mr. Chen Yulei (陳宇雷)	41	Non-executive Director	May 8, 2021	May 8, 2021	Responsible for providing guidance and advice on the corporate and business strategies to the Board	None
Ms. Ma Tiantian (馬天添)	33	Non-executive Director	May 8, 2021	May 8, 2021	Responsible for providing guidance and advice on the corporate and business strategies to the Board	None
Mr. Liu Rong (劉榕)	74	Independent non-executive Director	April 10, 2020	April 10, 2020	Responsible for supervising and providing independent advice to the Board	None
Mr. Wu Haipeng (吳海鵬)	44	Independent non-executive Director	June 30, 2021	June 30, 2021	Responsible for supervising and providing independent advice to the Board	None
Mr. Mu Binrui (牟斌瑞)	67	Independent non-executive Director	November 4, 2021	November 4, 2021	Responsible for supervising and providing independent advice to the Board	None

Name	Age	Position in our Group	Date of appointment as a Director	Date of joining our Group	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Mr. Sinn Wai Kin Derek (冼偉健)	65	Independent non-executive Director	June 16, 2023	June 16, 2023	Responsible for supervising and providing independent advice to the Board	None

Note:

Mr. Tang served as our Director between December 2005 and June 2017, and was subsequently reappointed as our Director in December 2020. Since December 2005, Mr. Tang has also been serving as our technical director.

The following sets forth the biographies of our Directors:

Executive Directors

Mr. Tang Jinghua (湯敬華), aged 47, is our founder, chairman of the Board and executive Director. Mr. Tang served as the chairman and general manager of the Company between December 2005 and June 2017. He was subsequently re-appointed as our Director in December 2020 and as chairman of the Board in June 2021, and was re-designated as our executive Director in May 2023. In addition, Mr. Tang has been our technical director since December 2005 and is currently the director of several of our subsidiaries, including, Shandong Voicecomm Intelligent Technology, Shandong Voicecomm Information Technology and Hainan Voicecomm Intelligent Technology. He is primarily responsible for the overall strategy, planning and deployment, and technology research and development of our Company.

Mr. Tang has over 20 years of extensive research and development experience in the industry and has expertise in the field of conversational AI. Mr. Tang has led and completed the research and development of software products for National Natural Science Foundation of China (國家自然科學基金) and Shanghai Sci-Tech Innovation Center Capital (上海科創基金) for numerous times. The products which were developed under the leadership of Mr. Tang have received numerous renowned honours and awards, including the "Shanghai Sci-tech Achievements Award".

Prior to establishing our Group, Mr. Tang served as product manager at the technical department of Shanghai Shengruan Message Technology Co., Ltd. (上海聲軟信息技術有限公司) between January 2002 and November 2005, where he was responsible for the development and application of computer telephony integration technology.

Mr. Tang founded our Company in December 2005 and served as our director and general manager at the material time back then. Between September 2016 and October 2018, pursuant to the invitation by Xinhuanet, Mr. Tang joined Xinhuanet Yilian (Beijing) Technology Co., Ltd. (新華網億連(北京)科技有限責任公司) ("**Xinhuanet Yilian**") as a deputy general manager, and was responsible for the industrial implementation of "Internet Plus" strategy. At the relevant time, Xinhuanet Yilian and our Company were strategic cooperation partners to develop and promote cloud-based communication platform for intelligent town projects through joint efforts. At the request of Xinhuanet Yilian that Mr. Tang shall not hold directorship outside the group of Xinhuanet after his relevant appointment, Mr. Tang resigned as a director of our Company in June 2017.

During his tenure as the deputy general manager of Xinhuanet Yilian, Mr. Tang further expanded the upstream and downstream industry chain partners, established business cooperation networks and ecosystems, and deepened the implementation of the "Internet Plus" strategy to accumulate first-hand project experiences. Through these experiences accumulated during his tenure in Xinhuanet Yilian, Mr. Tang could bring to our Group his deepened understanding of the needs of different stakeholders along the industry chain as well as his broadened business connections, which would enable our Group to further improve our solution offerings to more closely cater for our customers' needs. Further, Mr. Tang's first hand experience in the implementation of the "Internet Plus" strategy could be translated into and facilitate the execution of our intelligent town projects. All in all, Mr. Tang's tenure in Xinhuanet Yilian is considered beneficial to the future development of our Group. In October 2018, Mr. Tang resigned from his position as deputy general manager in Xinhuanet Yilian to focus on the business operation and technology research and development of our Company.

Notwithstanding the above, Mr. Tang has been serving as our technical director since December 2005 and up to the Latest Practicable Date (including since Mr. Tang's resignation as our Director in June 2017 and up to his re-appointment as Director in December 2020), whereby Mr. Tang continued to oversee the operation of our Group together with Mr. Sun, and was responsible for leading the research and development of our solution offerings and our technical management work, formulating our path in technology development in accordance with our overall strategic business development plan and market demands, and determining the direction of development of our solution offerings.

Mr. Tang obtained a master degree in software engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2005, and is currently a PhD candidate in artificial intelligence at Shanghai Jiao Tong University (上海交通大學) in the PRC, with a research focus on distributed artificial intelligence and knowledge graph.

Mr. Tang was a director and a general manager of Hangzhou Bojue Network Technology Co., Ltd. (杭州舶珏網絡科技有限公司) ("**Hangzhou Bojue**"), a company established in the PRC engaged in the business of software application development and system integration. The business license of Hangzhou Bojue was revoked on June 25, 2019 as it was not engaging in any business activities for more than six months prior to the date of revocation. As confirmed by Mr. Tang, he had already resigned from his positions as the director and general manager of Hangzhou Bojue before 2019, which was confirmed by the board of Hangzhou Bojue in February 2019, and he had not been actively involved in the operation of Hangzhou Bojue since his resignation. As confirmed by Mr. Tang, Hangzhou Bojue was solvent at the time of his resignation, there was no fraudulent act or misfeasance on the part of Mr. Tang leading to the revocation and he was not aware of any actual or potential claim that has been or will be made against him as a result of the revocation of business license of Hangzhou Bojue.

Mr. Sun Qi (孫琪), aged 49, is our executive Director and general manager. Mr. Sun joined our Group in October 2012 as the sales director of our Company. He has been our Director since April 2015 and the general manager of our Company since January 2017, and he was re-designated as our executive Director in May 2023. He is currently the director of several of our subsidiaries, including Voicecomm Jiachen, Shandong Voicecomm Information Technology and Voicecomm Yilian. He is primarily responsible for the overall operation and business development of our Group.

Mr. Sun has 20 years of rich experience in sales and marketing. Prior to joining our Group, Mr. Sun served as (i) the deputy general manager of the Shanghai branch of Shenzhen Kingdom Sci-tech Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 600446)) from September 1998 to September 2002; (ii) the sales manager of Eastern China Region at Gaoyang Soft-tech Information Technology (Shanghai) Co., Ltd (高陽軟科信息技術(上海)有限公司)) from November 2003 to August 2005, where he was responsible for the sales and marketing activities of the company in the Eastern China Region; and (iii) the co-founder and the deputy general manager at Shanghai Lingteng Network Technology Co., Ltd (上海靈騰網絡科技有限公司) from October 2005 to September 2012, where he was responsible for the daily management and channel expansion of the company.

Mr. Sun graduated from Hefei University of Technology (合肥工業大學) in the PRC after completion of the undergraduate programme in engineering in July 1997.

Non-executive Directors

Mr. Yang Xiaoyuan (楊曉源), aged 47, is our non-executive Director. Mr. Yang joined our Group in May 2018 and has been our Director since then. He was subsequently re-designated as our non-executive Director in May 2023. Mr. Yang is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Mr. Yang worked at Shanghai Potevio Co., Ltd (上海普天郵通科技股份有限公司) from September 1999 to May 2006 where he last served as the marketing director. In October 2005, Mr. Yang founded Beijing Haizhide Technology Co., Ltd (北京海致得科技有限公司), a company in the scientific research and technical service industry. In January 2016, Mr. Yang founded Shanghai Jiangcheng Asset Management Co., Ltd (上海江程資產管理有限公司), a company primarily engaging in, among others, asset management, where his current position is general manager. He is also currently serving as the director or supervisor of various subsidiaries of Shanghai Jiangcheng Asset Management Co., Ltd, the operation of which include information technology, leasing of non-residential properties and corporate management, etc.

Mr. Yang graduated from Donghua University (東華大學) (formerly known as China Textile University (中國紡織大學) in the PRC with a bachelor's degree in industrial automation in July 1999, and subsequently obtained a master degree in electronics and communication engineering from Shanghai Jiao Tong University (上海交通大學) in the PRC in March 2008.

Mr. Tan Xiaobo (譚曉波), aged 46, is our non-executive Director. Mr. Tan joined our Group in April 2019 and has been our Director since then. He was subsequently re-designated as our non-executive Director in May 2023. Mr. Tan is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Mr. Tan served as the general manager at Shanghai Softstone International Trading Co., Ltd (上海柔石國際貿易有限公司) from February 2002 to January 2017. Since January 2017, Mr. Tan has been working at Shanghai Zepure International Trading Co., Ltd (上海澤溥國際貿易有限公司) (a company principally engaged in the import and distribution of plastics and chemicals) and he is currently serving as its executive director and general manager.

Mr. Tan graduated from Shanghai Ocean University (上海海洋大學) (formerly known as Shanghai Fisheries University (上海水產大學) in the PRC upon completion of the undergraduate programme in mechanical design and manufacturing and automation in July 2000.

Mr. Chen Yulei (陳宇雷), aged 41, is our non-executive Director. Mr. Chen joined our Group in May 2021 and has been our Director since then. He was subsequently re-designated as our non-executive Director in May 2023. Mr. Chen is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Mr. Chen is experienced in the investment field, including in the technology, media and telecommunication (TMT) area. From April 2016 to April 2019, Mr. Chen worked at Shanghai Baoju Investment Management Group Co., Ltd. (上海寶聚昌投資管理集團有限公司), where his last held position was investment director. From November 2019 to September 2023, Mr. Chen worked at Yingke Innovation Asset Management Co., Ltd. (盈科創新資產管理有限公司), and is served as one of the partners and the chief investment officer, where he was primarily responsible for investment in the technology and innovation industry. In particular, Mr. Chen had handled several investment projects in the TMT field, including (i) a company listed on the Shanghai Stock Exchange that provides foundry services for analog chips and module packaging, (ii) a company established in the PRC which engaged in the research, production, sales, and recycling of sputtering targets and evaporative materials for vacuum coating, the products of which are primarily used in the fields of display, photovoltaics and data storage, etc., (iii) an enterprise engaged in the research, production, and sales of new energy intelligent connected vehicles, and (iv) a chip manufacturing company, whose products are applied in the fields of, among others, internet of things (IOT), automotive electronics, and 5G etc. Mr. Chen served as the vice president and regional manager of the Industrial Fund Department in the East China region at Shanghai Fudi Industrial Development Group Co., Ltd. (上海復地產業發展集團有限公司) from September 2023 to December 2023. Since April 2024, Mr. Chen has been working at Hangzhou Xingyu Enterprise Management Consulting Co., Ltd. (杭州星好企業管理諮詢有限公司) and he is currently serving as the head of the Investment Business Center.

Mr. Chen graduated from Ningbo University (寧波大學) in the PRC with a bachelor's degree in computer science and technology in July 2005, and subsequently graduated from University of Keele in the United Kingdom with a master's degree in financial management in November 2006.

Ms. Ma Tiantian (馬天添), aged 33, is our non-executive Director. Ms. Ma joined our Group in May 2021 and has been our Director since then. She was subsequently re-designated as our non-executive Director in May 2023. Ms. Ma is primarily responsible for providing guidance and advice on the corporate and business strategies to the Board.

Ms. Ma worked as an institutional sales at Tebon Fund Management Co., Ltd (德邦基金管理有限公司) from October 2015 to July 2016. She then served as a project manager at Dongyang Datang Entertainment TV and Film Production Co., Ltd (東陽大唐影視文化股份有限公司) from February 2017 to September 2018. From December 2018 to October 2020, she served as the executive director at Shanghai Yueran Culture Communication Co., Ltd (上海躍燃文化傳播有限公司). Since October 2020, Ms. Ma has been working at Gongqingcheng Softbank Zhongan Investment Co., Ltd (共青城軟銀中安投資有限公司) and her current position is supervisor and development manager.

Ms. Ma graduated from University of Sydney in Australia with a bachelor's degree in economics in May 2013, and subsequently obtained a postgraduate in business management from University of Technology Sydney in Australia in March 2015.

Independent non-executive Directors

Mr. Liu Rong (劉榕), aged 74, is our independent non-executive Director. Mr. Liu has been appointed as our independent Director since April 2020, and was subsequently reconfirmed as our independent non-executive Director in May 2023. Mr. Liu is primarily responsible for supervising and providing independent advice to the Board.

Mr. Liu worked at SAIC Motor Industrial (Group) Co., Ltd. (上海汽車工業(集團)有限公司) between April 1990 and December 2004, during which he served various positions including manager assistant of the finance department (asset operation department), deputy manager, deputy chief accountant and manager of the asset operation department. Subsequently between December 2004 and May 2013, Mr. Liu served in various positions at SAIC Motor Corp., Ltd. (上海汽車集團股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 600104), and a company controlled by （上海汽車工業(集團)有限公司)), including deputy chief accountant and chief operation officer. Mr. Liu is currently an independent director of Shanghai Lianming Machine Share Co., Ltd (上海聯明機械股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603006)), Shanghai Naen Automotive Technology Co., Ltd (上海納恩汽車技術股份公司), Kuangda Technology Co. Ltd. (曠達科技集團股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 002516)) and Hangzhou BOSOM New Materials Technology Co., Ltd (杭州本松新材料技術股份有限公司). He was an independent director of (i) Shanghai Jingzhi Enterprise Co., Ltd (上海精智實業股份有限公司) (a company quoted on National Equities Exchange and Quotations (stock code: 873842) from March 2020 to March 2023; and (ii) Flying Technology Co., Ltd. (展鵬科技股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 603488) between December 2020 to August 2022.

Mr Liu has been awarded the "Advanced Production Work (先進生產工作者)" by SAIC Motor Corporation Limited in March 2007 and the "Advanced Accountant in Shanghai (上海市先進會計工作者)" awarded by Shanghai Municipal Finance Bureau in August 2009.

Mr. Liu completed the training programme in accounting in Shanghai First Mechanical and Electrical Industry Bureau (上海市第一機電工業局) in the PRC in June 1981. Mr. Liu subsequently graduated from the international finance and commerce college class of Institute of Adult Education of East China Normal University (華東師範大學成人教育學院) in the PRC in July 1997 and completed the on-the-job postgraduate course majoring in global economy at the International Finance Department of East China Normal University (華東師範大學) in the PRC in April 1999.

Mr. Liu earned the qualification of senior accountant in Shanghai in April 2002. Mr. Liu was also certified as having 30 years' experience in accounting by the Ministry of Finance of the People's Republic of China (中華人民共和國財政部) in August 2008.

Mr. Wu Haipeng (吳海鵬), aged 44, is our independent non-executive Director. Mr. Wu has been appointed as our independent Director since June 2021, and was subsequently reconfirmed as our independent non-executive Director in May 2023. Mr. Wu is primarily responsible for supervising and providing independent advice to the Board.

Mr. Wu served at Fujian Mintian Law Firm (福建閩天律師事務所) from September 2001 to June 2010 and his last position was partner. Mr. Wu then served as a partner at Fujian Junli Law Firm (福建君立律師事務所) from July 2010 to December 2017. Mr. Wu is currently a partner at Grandall (Fuzhou) Law Firm (國浩律師(福州)事務所). He is also currently an independent director of Nanjing Aolian Automobile Electronics Co., Ltd (南京奧聯汽車電子電器股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300585)).

Mr. Wu graduated from Jilin University (吉林大學) in the PRC with a bachelor's degree in the law of International Economics in June 2001. He is a registered lawyer in the PRC.

Mr. Mu Binrui (牟斌瑞), aged 67, is our independent non-executive Director. Mr. Mu has been appointed as our independent Director since November 2021, and was subsequently reconfirmed as our independent non-executive Director in May 2023. Mr. Mu is primarily responsible for supervising and providing independent advice to the Board.

Before his retirement in 2016, Mr. Mu worked at the Bank of Communications Co., Ltd. (交通銀行股份有限公司) (a company listed on the Shanghai Stock Exchange (stock code: 601328)), during which he was appointed as general manager in the credit management department in October 2004 and as the vice chief credit executive officer in March 2013. He is currently an independent non-executive director of China Yongda Automobiles Services Holdings Limited (中國永達汽車服務控股有限公司) (a company listed on the Stock Exchange (Stock code: 3669) and China Bohai Bank Co., Ltd (渤海銀行股份有限公司) (a company listed on the Stock Exchange (Stock Code: 9668).

Mr. Mu graduated from the School of Network Education of Renmin University of China (中國人民大學網絡教育學院) in the PRC after completion of the long distance course majoring in finance in March 2005.

Mr. Mu has earned the honour of Special Allowances of the State Council as a National Expert (國務院政府特殊津貼專家) awarded by The State Council (中華人民共和國國務院) in February 2013.

Mr. Sinn Wai Kin Derek (冼偉健), aged 65, is our independent non-executive Director. Mr. Sinn has been appointed as an independent non-executive Director since June 2023. He is primarily responsible for supervising and providing independent advice to the Board.

Mr. Sinn is a fellow member of the Hong Kong Institute of Certified Public Accountants since 1999, and has experience in audit, accounting, financial management and corporate finance, in particular, Mr. Sinn served as an executive director of New Spring Holdings Limited (新高準控股有限公司) (currently known as Uni-Bio Science Group Limited (聯康生物科技集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0690), between November 2001 and March 2003; Mr. Sinn served as the deputy financial controller of Lee & Man Paper Manufacturing Limited (理文造紙有限公司) (a company listed on the Main Board of the Stock Exchange (stock code: 2314)) between August 2006 and September 2008; Mr. Sinn served as the chief financial officer and company secretary of Huajun Holdings Limited (華君控股有限公司) (currently known as China Huajun Group Limited (中國華君集團有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 0377)) between September 2008 and August 2015; Mr. Sinn served as the chief financial officer of Enviro Energy Management Services Limited (環能管理服務有限公司) between September 2015 and December 2015 and company secretary of Enviro Energy International Holdings Limited (環能國際控股有限公司) between October 2015 and December 2015; and Mr. Sinn served as the independent non-executive director of Han Tang International Holdings Limited (漢唐國際控股有限公司) (a company formerly listed on the Main Board of the Stock Exchange (stock code: 1187) between July 2016 and June 2018. Mr. Sinn is currently the financial consultant of a company primarily engaged in the field of hospital information systems and medical internet-of-things (IoT). Mr. Sinn completed secondary education in Hong Kong in 1981.

Mr. Sinn was a director of Kam Pang Engineering Limited (錦鵬工程有限公司), a company incorporated in Hong Kong engaged in the business of engineering consultation. The said company was struck off by the Registrar of Companies in Hong Kong and was dissolved on December 30, 2016 pursuant to Section 746(2) of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). As confirmed by Mr. Sinn, the said company did not have substantial business and was solvent at the time of struck off and dissolution, no claims had been made against him and he was not aware of any threatened and/or potential claims made against him as a result of the dissolution of the said company.

SUPERVISORY COMMITTEE

Our Supervisory Committee consists of three members, including two Supervisors appointed by shareholders' general meetings and one employee representative Supervisor, elected at employee representative meetings. Our Supervisory Committee is responsible for supervising the performance of duty of the Board and the senior management of our Company and overseeing the financial, internal control and risk conditions of our Company. The Supervisors serve a term of three years and may be re-elected for successive reappointments. The following table sets out certain information with respect to members of our Supervisory Committee as at the Latest Practicable Date:

Name	Age	Title	Date of joining our Group	Date of appointment as Supervisor	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Ms. Wu Yongzheng (伍永政)	47	Chairman of Supervisory Committee	June 7, 2011	April 26, 2015	Supervising the Board and management	None
Ms. Xu Xiaodi (徐曉迪)	30	Supervisor	April 26, 2015	April 26, 2015	Supervising the Board and management	None
Mr. Xiao Dong (肖東)	36	Employee representative supervisor	October 19, 2012	February 29, 2016	Supervising the Board and management	None

Ms. Wu Yongzheng (伍永政), aged 47, is our chairman of the Supervisory Committee. Ms. Wu joined our Company in June 2011 and has been the chairman of the Supervisory Committee since May 7, 2015. She is also the supervisor of the Shandong Voicecomm Intelligent Technology.

Prior to joining our Group, Ms. Wu worked (i) as a technical engineer at Shanghai Camelot Information System Co., Ltd. (上海柯萊特信息系統有限公司) between July 2004 and April 2006, where her clientele included a multinational technology corporation; and (ii) at China HP Co., Ltd. (中國惠普有限公司) (formerly known as China Hewlett-Packard Co., Ltd. (惠普科技(北京)有限公司)), where her last held position was systems administrator before her resignation in November 2010.

Ms. Wu graduated from Chinese People's Liberation Army Guilin Military Academy (桂林陸軍學院) in the PRC majoring in computer application in June 1999. Ms. Wu subsequently graduated from Shanghai Polytechnic University (上海第二工業大學) in the PRC majoring in computer science (adult higher education) through part-time study in January 2009. Ms. Wu obtained a master degree of software engineering from Tongji University (同濟大學) in the PRC in March 2017.

Ms. Wu received the First prize for scientific progress awarded by Beihai People's Government Science and Technology Progress Award Review Committee (科學技術進步獎評審委員會) in January 2001.

Ms. Xu Xiaodi (徐曉迪), aged 30, is our supervisor. Ms. Xu joined our Company in April 2015 and has been our supervisor since then. She is also the general manager of the Voicecomm Jiachen and the supervisor of the Hainan Voicecomm Intelligent Technology.

In addition to her role as supervisor of our Company, Ms. Xu served as an administrator and sales assistant at our Company from April 2015 to September 2018, and later as assistant general manager of our Company since February 2021.

Ms. Xu obtained online college degree of economic management from Huazhong University of Science and Technology (華中科技大學) in the PRC in January 2015, and completed her undergraduate studies in Huazhong Normal University (華中師範大學) in the PRC majoring in business administration in January 2021 through an online program.

Mr. Xiao Dong (肖東), aged 36, is our employee representative supervisor. Mr. Xiao has been our employee representative supervisor since February 2016.

Mr. Xiao joined our Group in October 2012 and has been serving as the system integration engineer of the technical department of our Company since August 2017, where he was responsible for the project research and development of the technical department.

Mr. Xiao graduated from Southwest University of Science and Technology (西南科技大學) in the PRC upon completion of an online education undergraduate program on computer science and technology in January 2017.

SENIOR MANAGEMENT

Members of our senior management

Our senior management, together with our executive Directors, is responsible for the day-to-day management of our business. The following table sets out certain information with respect to members of our senior management as at the Latest Practicable Date:

Name	Age	Position(s)	Date of appointment as senior management	Date of joining our Group	Main roles and responsibilities in our Group	Relationships with other Directors or senior management
Mr. Zheng Bo (鄭波)	47	Deputy general manager and deputy director of technical department	May 7, 2023	February 1, 2021	Responsible for assisting in overseeing the day-to-day operation of the technical department	None
Mr. Ouyang Yiqing (歐陽一青)	45	Deputy general manager	November 3, 2023	June 5, 2023	Responsible for formulating and implementing marketing strategies and client success	None
Mr. Zhang Wenzhao (張文釗)	46	Chief financial officer	November 30, 2022	November 16, 2022	Responsible for overseeing the finance and accounting matters and financial reporting of our Group	None
Ms. Liu Yihan (劉藝涵)	39	Secretary of the Board and joint company secretary	June 8, 2021	June 4, 2021	Responsible for the equity financing and listing preparation works of our Company	None

Mr. Zheng Bo (鄭波), aged 47, is our deputy general manager and technical deputy director. Mr. Zheng has been our technical deputy director since February 2021. Mr. Zheng Bo was further appointed as our deputy general manager since May 2023. He is primarily responsible for assisting in supervising the day-to-day operation of the technical department.

Prior to joining our Group in 2021, Mr. Zheng served (i) at Shanghai Lingteng Network Technology Co., Ltd. (上海靈騰網絡科技有限公司) as the chief technology officer between May 2007 and September 2010, where he was responsible for leading the daily operation of the technical department; (ii) at Jiangxi Nanchang High-tech District Talent Center between October 2010 and January 2014, where he was responsible for the establishment of network and information system; (iii) at our Company as our chief technology officer between February 2014 and May 2017; and (iv) as the vice president at Hefei Yipin Science and Trade Co., Ltd. (合肥逸品科貿有限公司) between February 2020 and January 2021.

Mr. Zheng graduated from Nanchang University (南昌大學) in the PRC upon completion of the undergraduate programme of computer and application in July 1998.

Mr. Ouyang Yiqing (歐陽一青), aged 45, is our deputy general manager. Mr. Ouyang joined our Group in June 2023 and has been our deputy general manager since November 2023. He is primarily responsible for formulating and implementing marketing strategies and client success.

Mr. Ouyang possesses extensive experience in serving B2B enterprises and government-enterprises, and had helped several leading Chinese companies and government institutions in industries such as healthcare, education, publishing, and government achieve digital transformation. Prior to joining our Group, Mr. Ouyang served in various software and technology companies from 2005 to 2014, where he was principally responsible for sales and business development. From September 2014 to November 2020, Mr. Ouyang served as general manager of public services industry group at SAP (China) Co. Ltd (思愛普(中國)有限公司), where he was responsible for the formulation and implementation of marketing strategies and client success. Subsequently between November 2020 and June 2023, Mr. Ouyang served as senior sales director at Fourth Paradigm (Beijing) Data & Technology Co., Ltd. (第四範式(北京)技術有限公司) (a subsidiary of Beijing Fourth Paradigm Technology Co., Ltd. (北京第四範式智能技術股份有限公司), a company listed on the Stock Exchange (Stock Code: 6682)), where he was responsible for business development of the company's innovative business and client success. Mr. Ouyang also served as an executive director of Shanghai Paradigm Digital Software Technology Co. Ltd. (上海範式數科軟件技術有限公司) (a subsidiary of Fourth Paradigm (Beijing) Data & Technology Co., Ltd.) from July 2022 to August 2023.

Mr. Ouyang graduated from the Dundalk Institute of Technology in Ireland in June 2005 with a bachelor's degree in business.

Mr. Zhang Wenzhao (張文釗), aged 46, is our chief financial officer. Mr. Zhang joined our Group in November 2022 and has been our chief financial officer since then. He is primarily responsible for overseeing the finance and accounting matters and financial reporting of our Group.

Prior to joining our Group, Mr. Zhang had worked at the accounting and financial field, for instance he had (i) worked in accounting at Hulunbeier Branch of China Netcom (Group) Co., Ltd. (中國網通(集團)有限公司呼倫貝爾市分公司) between July 2003 and August 2005; (ii) served as a finance officer at Shanghai Metersbonwe Fashion & Accessories Co., Ltd. (上海美特斯邦威服飾股份有限公司) (a company listed on the Shenzhen Exchange (stock code: 002269)) between March 2006 and December 2008; (iii) served as a finance manager of Shanghai Metersbonwe Fashion & Accessories Sales Co., Ltd. (上海美特斯邦威服飾銷售有限公司) between December 2008 and September 2010; (iv) served as a financial manager at Xijiewei (Shanghai) Enterprise Management Co., Ltd. (希傑希界維(上海)企業管理有限公司) between October 2012 and June 2018; and (v) served as the financial controller at Shanghai Zhitong Construction Development Co., Ltd. (上海智通建設發展股份有限公司) (a company quoted on the National Equities Exchange and Quotations (stock code: 831395)) from October 2020 to November 2022.

Mr. Zhang graduated from Inner Mongolia Finance and Economics College (內蒙古財經學院, currently known as Inner Mongolia University of Finance and Economics (內蒙古財經大學)) in the PRC in July 2003 with a bachelor's degree in business administration.

Mr. Zhang obtained (i) the tax advisor qualification issued by The China Certified Tax Agents Association (中國註冊稅務師協會) in November 2019 and (ii) the Certificate for Passing All the Required Subjects of the National Uniform CPA Examination (註冊會計師全國統一考試全科合格證) in December 2020 from The Certified Public Accountant Examination Committee of The Ministry of Finance of the PRC (中國財政部註冊會計師考試委員會).

Ms. Liu Yihan (劉藝涵), aged 39, is our secretary of the Board and one of our joint company secretaries. Ms. Liu joined our Group in June 2021 and has been our secretary of the Board since then. She is subsequently appointed as one of the joint company secretaries of the Company in May 2023 with effect upon the Listing Date. After joining our Group, Ms Liu is primarily responsible for the equity financing and listing preparation works of the Company, including the Series B, Series B+ and Series C Financing (the Pre-IPO Investments in our Company). Ms. Liu has years of experience as IPO projects consultant, full-time stock trader in secondary market, and corporate senior management.

Ms. Liu graduated from Jilin University (吉林大學) in the PRC in July 2007 with two bachelor's degrees in engineering, and received a master of Laws degree from Peking University in the PRC and a degree of Juris Doctor conferred by Peking University School of Transnational Law in July 2018.

None of our Directors and senior management members are related to other Directors or members of our senior management. Save as disclosed above, none of our Directors and senior management members held any directorship in public companies, whose securities were listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Prospectus. Save as disclosed above, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, there are no other matters in respect of our Directors that are required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules, and there is no other material matter relating to our Directors that needs to be brought to the attention of our Shareholders.

JOINT COMPANY SECRETARIES

Ms. Liu Yihan (劉藝涵) is one of our joint company secretaries. For biographical details of Ms. Liu, see "– Senior Management" in this section.

Mr. Cheung Kai Cheong Willie (張啟昌), aged 49, is one of our joint company secretaries. Mr. Cheung was appointed as the other joint company secretary of our Company in May 2023 with his appointment taking effect upon the Listing Date. Mr. Cheung is a senior manager of SWCS Corporate Services Group (Hong Kong) Limited mainly responsible for assisting listed companies in professional company secretarial work. Prior to joining SWCS Corporate Services Group (Hong Kong) Limited, Mr. Cheung served as the company secretary of certain companies, each of which is listed on the Stock Exchange.

Mr. Cheung is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants in the United Kingdom.

Mr. Cheung obtained a bachelor's degree of Arts (Honors) in Accounting and Finance at the University of Glamorgan in the United Kingdom in June 1996.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, Appendix C1 to the Listing Rules, our Company has established four Board committees, namely the audit committee, the remuneration committee, the nomination committee and the strategy committee.

Audit Committee

We have established an Audit Committee with written terms of reference in accordance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely Mr. Sinn Wai Kin Derek, Mr. Wu Haipeng and Mr. Yang Xiaoyuan, and is chaired by Mr. Sinn Wai Kin Derek. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of our Group, to oversee the audit process, to develop and review our policies, to make recommendations to our Board on the appointment and dismissal of the external auditors, and to perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Tang Jinghua, Mr. Liu Rong, and Mr. Sinn Wai Kin Derek, and is chaired by Mr. Liu Rong. The primary duties of the remuneration committee are to establish and review the policy and structure of the remuneration for our Directors, Supervisors and senior management, review and approve our management's remuneration proposals with reference to our Board's corporate goals and objectives, ensure none of our Directors determine their own remuneration, and make recommendations on employee benefit arrangement.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee comprises one executive Director and two independent non-executive Directors, namely Mr. Tang Jinghua, Mr. Mu Binrui and Mr. Liu Rong and is chaired by Mr. Mu Binrui. The primary duties of the nomination committee are to review the structure, size and composition (including the skills, knowledge and experience) of our Board at least annually and make recommendation to our Board on any proposed changes to our Board to complement our Company's corporate strategy; identify individuals suitably qualified as potential board members and select or make recommendations to our Board on the selection of individuals nominated for directorships; assess the independence of independent non-executive Directors; and make recommendations to our Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of our chairman.

Strategy Committee

We have established a Strategy Committee comprising three Directors, namely Mr. Tang Jinghua, Mr. Sun Qi and Mr. Chen Yulei and is chaired by Mr. Tang Jinghua. The primary duties of the Strategy Committee are to, among others, study and advise on the long-term development strategy planning of our Company.

BOARD DIVERSITY POLICY

With a view to achieving sustainable and balanced development, we have adopted a board diversity policy (the "**Board Diversity Policy**") to achieve diversity in our Board. The Board Diversity Policy sets out the objective of and approach by our Board to achieve and maintain diversity in our Board in order to enhance the effectiveness of our Board and recognises and embraces the benefits of diversity in our Board. We endeavour to ensure that our Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the implementation of our business strategy. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service and any other factors that our Board may consider relevant and applicable from time to time. The ultimate decision of the appointment will be based on merit and the contribution which the selected candidates will bring to our Board. Our Board believes that such merit-based appointments will enable our Company to best serve our Shareholders and other stakeholders going forward.

Our Board currently comprises ten Directors, including two executive Directors, four non-executive Directors and four independent non-executive Directors. Our Directors have a balanced mix of experiences, including overall management and strategic development, marketing and business development, and finance and accounting experiences in addition to experience in the full-stack enterprise-level conversational AI solution market. For instance, our executive Directors, Mr. Tang (the chairman of the Board and an executive Director) and Mr. Sun (the general manager and an executive Director), both of whom being the steersmen of our Group, possessed substantial relevant industry experience in the conversational AI market and in the field of sales and marketing. We have four non-executive Directors and four independent non-executive Directors with different industry backgrounds, including in the equity investment, corporate management, accounting, finance and legal fields, and our independent non-executive Directors represent more than one-third of the members of our Board. Our Board believes that the female representation in our Board, a mix of different background and experiences of our Directors and the age diversity, would enable our Directors to bring in valuable views and opinions of different perspectives, which could enhance the quality of decision making of our Board and benefit our Group as a whole. Based on the foregoing, we consider our current Board composition satisfies the principles set out in the Board Diversity Policy.

Our nomination committee will review the composition of our Board and identify and recommend suitable candidates to our Board from time to time and make recommendations as to the appointment of members of our Board in accordance with our Board Diversity Policy. Our Company will also take into consideration factors based on our Group's business model and specific needs from time to time in determining the optimum composition of our Board.

CORPORATE GOVERNANCE

We are committed to high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, we will comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report set out in Appendix C1 to the Listing Rules after the Listing.

REMUNERATION POLICY

Our Directors, Supervisors and members of our senior management receive compensation from our Company in the form of salaries, discretionary bonuses, contributions to pension schemes and other allowances and benefits in kind subject to applicable laws, rules and regulations.

Our Board will review and determine the remuneration and compensation packages of our Directors, Supervisors and senior management which, following the Listing, will receive recommendation from the remuneration committee which will take into account salaries paid by comparable companies, time commitment and responsibilities of our Directors and performance of our Group.

REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

For the years 2021, 2022 and 2023, the aggregate amount of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and termination benefits of our Directors and Supervisors were RMB3.9 million, RMB5.2 million and RMB5.7 million, respectively. It is estimated that under the arrangements currently in force, the aggregate emolument payable to the Directors and Supervisors (excluding discretionary bonus) for the year ending December 31, 2024, will be RMB5.0 million.

Our Company's five highest paid individuals includes two, two and two Directors for each of the years 2021, 2022 and 2023, respectively. The aggregate amount of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and termination benefits of five highest individuals (including Directors) for each of the years 2021, 2022 and 2023, were RMB5.8 million, RMB7.6 million and RMB8.3 million, respectively. During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as a compensation for loss of office in connection with the management of the affairs of our Company or any subsidiary during the Track Record Period.

During the Track Record Period, none of our Directors and Supervisors waived or agreed to waive any emolument.

For details of Directors' and Supervisors' remunerations in each year of the Track Record Period as well as details of the five highest paid individuals, see notes 8 and 9 in the Accountants' Report as set out in Appendix I to this prospectus.

COMPLIANCE ADVISOR

In accordance with Rule 3A.19 of the Listing Rules, our Company has appointed Maxa Capital Limited as our compliance advisor. Pursuant to Rule 3A.23 of the Listing Rules, our Company will consult with and seek advice from the compliance advisor on a timely basis in the following circumstances:

(a) before the publication of any regulatory announcement, circular or financial report required by regulatory authorities or applicable laws;

(b) where a transaction, which might be a notifiable or connected transaction under Chapter 14 or 14A of the Listing Rules, is contemplated including share issues and share repurchases;

(c) where our Company proposes to use the proceeds of the Listing in a manner different from that detailed in this prospectus or where the business activities, developments or results of our Group deviate from any forecast, estimate, or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry of the listed issuer under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the Compliance Advisor will, in a timely manner, inform us of any amendment or supplement to the Listing Rules that are announced by the Stock Exchange as well as any amendment or supplement to applicable laws and guidelines.

The Compliance Advisor's term of appointment shall commence on the Listing Date and end on the date which we distribute our annual report of financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As at the Latest Practicable Date, none of our Directors, or their respective close associates, was engaged in or had any interest in a business, apart from business of our Group, which competes or is likely to compete with our business, whether directly or indirectly, or would otherwise require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in June 2023, 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 independence as regards each of the factors referred to in rules 3.13(1) to (8) of the Listing Rules; (ii) he 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 (as defined in the Listing Rules) of our Company; and (iii) that there are no other factors that may affect his independence at the time of his appointment.

You should read the following discussion and analysis in conjunction with our audited consolidated financial information, included in the Accountants' Report in Appendix I to this prospectus, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical events, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties over which we do not have control. For details, see "Forward-looking Statements" and "Risk Factors" in this prospectus.

OVERVIEW

We are an enterprise-level solution provider in China, dedicated to offering standardized yet conveniently diversified solutions that could effectively improve the level of convenience and intelligence with respect to enterprise-level users' information exchanges and business interactions. Our solutions are based upon our technologies comprising core conversational AI technologies, unified communication technologies, as well as other AI and computer technologies enabling product engine. Leveraging the completeness of our technologies, we are able to offer a number of typical types of solutions that are commonly needed by various enterprise-level users in their interactive scenarios. During the Track Record Period, we primarily offered such solutions to four key end-customer industries where we had accumulated rich industry know-how, engineering experiences and customer insights, i.e., city management and administration, automotive and transportation, telecommunications, and finance. Our solution offerings are enabled by Voicecomm Brain, our robust technology infrastructure, and Voicecomm Suites, our comprehensive functional modules. Voicecomm Brain is underpinned by our core technologies in both unified communications and AI. On top of our robust Voicecomm Brain, we have developed a full set of Voicecomm Suites, the modular combination of which allows us to offer different types of solutions to address the pain points experienced by enterprise-level users.

Empowered by our comprehensive enterprise-level solution offerings and superior delivery capabilities, our revenue increased rapidly during the Track Record Period, from RMB459.9 million in 2021 to RMB515.0 million in 2022, and further to RMB813.0 million in 2023 at a CAGR of 33.0% from 2021 to 2023. Our revenue growth throughout the Track Record Period was primarily due to the continuous expansion of both our operational scale and customer base. Meanwhile, our gross profit increased from RMB152.2 million in 2021 to RMB201.5 million in 2022, and further to RMB325.4 million in 2023 at a CAGR of 46.2% from 2021 to 2023, with our gross profit margin improving continuously from 33.1% in 2021 to 39.1% in 2022, and further to 40.0% in 2023. Despite our increasing investments in R&D and commercialization during the Track Record Period, we are able to maintain profitability from our operations, with our adjusted net profit (a non-IFRS measure) amounting to RMB117.7 million in 2023.

BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with all applicable International Financial Reporting Standards (IFRS), which collectively include all applicable individual International Financial Reporting Standards, International Accounting Standards, and Interpretation issued by the International Accounting Standards Board. Our historical financial information is presented in Renminbi (RMB), rounded to the nearest thousand, unless otherwise indicated.

The measurement basis used in the preparation of our historical financial information is the historical cost basis, except that the assets and liabilities are stated at their fair value as explained in the accounting policies as set out in Note 2 to the Accountants' Report in Appendix I to this prospectus.

The preparation of financial statements in conformity with IFRS requires our management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Judgements made by our management in the application of IFRS that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 3 to the Accountants' Report in Appendix I to this prospectus.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operation are primarily affected by the growth and penetration of the enterprise-level conversational AI solution market in China. In addition to the general industry backdrop and specifically on company level, we see our topline growth mainly driven by our revenue from offering enterprise-level solutions, which is in turn contingent upon our ability to grow our customer base and deepen existing customer relationships in our key end-customer industries, as well as our ability to enhance our technological capabilities and expand into other industries. Besides, our ability to achieve profitability will be constantly influenced by our cost structure as well as research and development expenses and selling and marketing expenses, among other expenses.

Growth and Penetration of the Enterprise-Level Conversational AI Solution Market in China

We believe that our financial performance and future growth are dependent on the overall growth of, and our competitiveness in, the enterprise-level conversational AI solution market in China. According to the iResearch Report, in 2023, the enterprise-level conversational AI solution market in China reached RMB62.1 billion, and is expected to reach RMB204.1 billion in 2028, at a CAGR of 26.9% from 2023 to 2028. However, the penetration rate of enterprise-level conversational AI solutions in China was merely 11.6% in 2023, as compared to 18.2% for the U.S. according to the same source. Currently, the penetration rate of enterprise-level conversational AI solutions in China still has huge growth potentials, which is estimated to increase to 16.2% in 2028. Furthermore, with China's significant economic scale and considerable social activity level that give rise to a rich variety of application scenarios being increasingly penetrated and expanded by enterprise-level conversational AI, we expect the market demand for our solutions to increase continuously, which will further drive our sales in the foreseeable future.

Our Ability to Grow Our Customer Base and Deepen Existing Customer Relationships in Our Key End-Customer Industries

During the Track Record Period, our various types of enterprise-level solutions had been deployed in our key end-customer industries including city management and administration, automotive and transportation, telecommunications, and finance. Our growth depends thus significantly on our ability to attract new customers and retain and expand relationship with existing ones in such key end-customer industries, which is in turn dependent upon our effective go-to-market strategies.

Specifically, our go-to-market strategies start at collaborations with early adopters, such as our launch customers, in certain end-customer industry we target to enter, which allows us to accumulate industry expertise and demonstrate the value of our solutions through one or a few entry projects. Once our value has been proven, we are then able to expand our presence quickly to cover other quality customers and further penetrate the end-customer industry. Fostered accordingly by our understanding of the existing users and our rich industry know-how, we are able to rapidly iterate our solution offerings, so as to up-sell our existing customers and increase their stickiness to our solutions, and ultimately increase our market share. We have gained loyalty of our existing customers and are dedicated to creating value for them with our standardized solutions. Going forward, we expect to achieve sustainable growth in the foreseeable future as we continue to attract more customers and deepen relationships with our existing customers in our key end-customer industries.

Our Ability to Enhance Our Conversational AI Technological Capabilities and Expand into Other Industries

Our conversational AI technological capabilities are crucial to our business operations. Aiming at satisfactorily serving enterprise-level users' actual business needs, we will continue to invest in research and development so as to advance the standardization of our solutions, as well as to iteratively develop more application scenarios and innovative functions for the same. Specifically, we will continue to enhance our technological capabilities by implementing our key technology initiatives such as reinforcement learning, transfer learning and federated learning, visualizable conversational AI empowered by computer vision AI and next-generation unified communications compatible with visualizable conversational AI, so as to strengthen our competitiveness over existing and emerging enterprise-level conversational AI solution providers, and maintain our competitiveness and innovativeness of our conversational AI technologies. During the Track Record Period, our research and development expenses amounted to RMB36.3 million, RMB64.0 million and RMB98.8 million in 2021, 2022 and 2023, respectively. We expect our strategic focus on innovations will further reinforce our competitive edge and enable us to capture additional market shares, which in turn will enable us to further increase our revenue and strengthen our financial performance.

Additionally, our further growth will also depend upon our ability to expand into other industries. By leveraging our go-to-market strategies and accumulated industry insights proven to be successful in serving our four key end-customer industries, we plan to accelerate our penetration into other industries such as the media, healthcare, E-commerce and retailing, etc., in order to empower their intelligent transformation and improve our industry coverage. We aim to acquire and retain new customers by, among others, further enhancing the quality and efficiency of our existing solutions, offering additional innovative solutions and implementing effective sales strategies, in a way that is appropriate for such industries in which we intend to serve.

Our Ability to Continuously Maintain and Enhance Our Margin Levels and Operating Efficiency

Our ability to continuously maintain and enhance our margin levels and operating efficiency depends significantly on our ability to manage and optimize our costs and operating expenses. During the Track Record Period, our gross profit margin improved continuously from 33.1% in 2021 to 39.1% in 2022, and further to 40.0% in 2023, thanks to the high standardization and modularization of our enterprise-level solutions that allow us to address user demand effectively and efficiently. While our cost structure will be affected by the mix of our solution offerings and might further impact our gross profit margin, we believe that we are well positioned to scale up our revenues while achieving significant cost efficiency. As our business grows in scale, we expect to further realize structural cost savings to compete more efficiently.

Besides, controlling operating expenses to achieve optimal operating efficiency is also important to our success. In 2021, 2022 and 2023, our research and development expenses as a percentage of our revenue was 7.9%, 12.4% and 12.2%, respectively, and our selling and marketing expenses as a percentage of our revenue was 0.7%, 1.4% and 1.3%, respectively. Benefitting from our effective go-to-market strategies, we have demonstrated promising prospects for stable profitability. To ensure effective implementation of our technology strategies, we will expand our research and development team on a continuous basis and recruit more industry-leading talents. Moreover, with a goal to strengthen our commercialization capabilities effectively, we plan to expand our in-house sales and marketing team by recruiting more professionals with rich industry and customer insights. As such, we expect the absolute amounts of our research and development expenses and selling and marking expenses will continue to increase along our business growth in the future. Nevertheless, as we expand the scale and scope of our business and solution offerings, we expect to benefit from various economies of scale to improve our operational efficiency.

IMPACT OF THE COVID-19 PANDEMIC

Since late 2019, the outbreak of a novel strain of coronavirus named COVID-19 has materially and adversely affected the global economy. The pandemic caused temporary challenges to our financial performance and business operations during the Track Record Period. COVID-19, among other various factors, contributed to our prolonged trade receivables turnover days during the Track Record Period, by hampering the timely on-site acceptance and prolonging the payment cycle with respect to the projects in which we were involved. For details, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this section. In addition, with respect to our business operations, we took a series of measures in response to the pandemic to protect our employees, including the temporary closure of our offices, remote working arrangements, and travel restrictions or suspension, which had temporarily reduced our operational capacity and efficiency. As of the Latest Practicable Date, we did not experience any material adverse impact of COVID-19 on our financial performance or business operations. We will continue to pay close attention to the development of the COVID-19 pandemic and dedicate resources to take actions to minimize any adverse impact therefrom.

MATERIAL ACCOUNTING POLICY INFORMATION AND MATERIAL ACCOUNTING JUDGMENT

We have identified certain accounting policies that are material to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a material impact on our financial position and operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events which are deemed to be reasonable under the circumstances. There had not been any material deviation from our management's estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

We set out below some of the accounting policies and estimates that we believe are of critical importance to us or involve the most material estimates and judgments used in the preparation of our financial statements. Our material accounting policy information and material accounting judgment, which are important for understanding our financial condition and results of operations, are set out in further details in Note 2 and Note 3 to the Accountants' Report in Appendix I to this prospectus.

Revenue Recognition

Revenue arises from the sale of goods and the provision of services in the ordinary course of our business.

Revenue is recognized when control over a product or service is transferred to the customer. For each performance obligation satisfied over time, we recognize revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If we do not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the amount of promised consideration to which we are expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone selling price. We generally determine standalone selling prices based on observable prices. If the standalone selling price is not observable through past transactions, we estimate the standalone selling price based on multiple factors, including, but not limited to management approved price list or cost-plus margin analysis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to us, revenue recognized under that contract includes the interest expense accreted on the contract liability under the effective interest method. We take advantage of the practical expedient in paragraph 63 of IFRS 15 and do not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

We generate substantially all of the revenues from the following services and products:

- Enterprise-level solutions;

- Other services primarily include promotion service.

Our enterprise-level solutions are offered either on software platform or solutions come with functionalities and interfacing capabilities tailored to customers' operation environment integrated with communication devices or other hardware and other service and software license. We determine that such contracts typically comprise one single performance obligation. Revenues are recognized at a point in time upon customer's acceptance of the respective solutions or products, which is when the control over our goods or services is transferred to customers.

The maintenance services are provided to customers for a fixed amount over the service period, usually within one year. We recognize revenues from maintenance services over the period when the services were provided, since customers simultaneously receive and consume the benefit of the services. We use straight-line method to recognize revenue ratably over the service period. The other services provided to customers are recognized based on usage over the period.

We recognize enterprise-level solutions revenue on a gross basis because we are the principal and control the hardware to be provided to the customer before the hardware is transferred to that customer. In addition, we are primarily responsible for fulfilling the promise to provide the hardware and have discretion in establishing the price for the hardware.

Goodwill

Goodwill arising on acquisition of business is measured at cost less accumulated impairment losses and is tested annually for impairment. For details, see Note 2(e) and 2(j)(ii) to the Accountants' Report in Appendix I to this prospectus.

Property and Equipment

The following items of property and equipment are stated at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses:

- right-of-use assets arising from leasehold properties where we are not the registered owner of the property interest; and

- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

For details, see Notes 2(i) and 2(j) to the Accountants' Report in Appendix I to this prospectus.

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 value, 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 current and comparative periods are as follows:

Electronic equipment	Three years
Furniture	Five years
Servers	Five years
Vehicles	Four years
Leasehold improvements	Shorter of estimated useful life and remaining lease terms
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents properties under construction and machinery and equipment pending installation and is stated at cost less impairment losses. For details, see Note 2(j)(ii) to the Accountants' Report in Appendix I to this prospectus. Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation policies specified above.

No depreciation is provided in respect of construction in progress.

Intangible assets (other than goodwill)

Intangible assets (other than goodwill) that are acquired by us and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses. For details, see Note 2(j)(ii) to the Accountants' Report in Appendix I to this prospectus.

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 current and comparative periods are as follow:

Software	Five years
Patents	Eight years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Credit Losses and Impairment of Assets

We recognize a loss allowance for expected credit losses (ECLs) on financial assets measured at amortized cost (including cash, trade receivables and other receivables, which are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

- fixed-rate financial assets and 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 we are exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and

- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

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, we consider 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 our historical experience and informed credit assessment, that includes forward-looking information.

We assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due dates.

We consider a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to us in full, without recourse by us to actions such as realising security (if any is held); or

- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss. We recognize an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognized in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

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.

Write-Off Policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when we otherwise determine 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.

Contract Liabilities

A contract liability is recognized when the customer pays non-refundable consideration before we recognize the related revenue. A contract liability is also recognized if we have an unconditional right to receive non-refundable consideration before we recognize the related revenue. In such latter cases, a corresponding receivable is also recognized.

For details, see Note 2(v) to the Accountants' Report in Appendix I to this prospectus.

Research and Development Expenses

Research and development expenses comprise all expenditures that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Such research and development expenditures are recognized as expenses in the period in which they are incurred.

Interest-Bearing Borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent, these borrowings are stated at amortized cost using the effective interest method. For details, see Note 2(z) to the Accountants' Report in Appendix I to this prospectus.

Fair Value Measurement of Financial Instruments Using Valuation Techniques

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques include discounted cash flow model, market comparable model, adjusted recent transaction price and so on. We use our judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions, see Note 30(e) to the Accountants' Report in Appendix I to this prospectus. The use of different valuation techniques or inputs may result in significant differences in fair value estimate. The fair value generated by valuation technique is also verified with transactions of same or similar financial instruments in observable markets according to market practice.

Impairment of Non-Financial Assets (Other Than Goodwill)

We assess whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the relevant reporting periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, our management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of Goodwill

We determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires us to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. For further details, see Note 15 to the Accountants' Report in Appendix I to this prospectus.

Deferred Tax Assets

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Loss Allowance for ECLs

We estimate the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth our consolidated statements of profit or loss for the years indicated:

	Year Ended December 31,		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Revenue	459,935	514,992	813,017
Cost of revenue	(307,773)	(313,526)	(487,600)
Gross Profit	152,162	201,466	325,417
Other revenue	7,692	11,016	27,226
Other net gain/(loss)	200	(16)	(25)
Research and development expenses	(36,310)	(63,983)	(98,798)
Selling and marketing expenses	(3,162)	(7,249)	(10,347)
Administrative and other operating expenses	(24,552)	(31,486)	(58,499)
Impairment loss on trade receivables	(17,444)	(42,562)	(55,379)
Profit from operations	78,586	67,186	129,595
Net finance costs	(8,183)	(9,034)	(11,696)
Changes in carrying amount of redeemable capital contributions	(25,950)	(157,504)	(146,892)
Changes in fair value of financial assets measured at fair value through profit or loss	–	8,337	258
Share of (loss)/gain of associates	(22)	131	(20)
Profit/(loss) before taxation	44,431	(90,884)	(28,755)
Income tax	(8,047)	5,073	(446)
Profit/(loss) for the year	36,384	(85,811)	(29,201)
Attributable to			
Equity shareholder of our Company	36,895	(87,155)	(33,754)
Non-controlling interests	(511)	1,344	4,553
Earnings/(loss) per share			
Basic and diluted (RMB)	1.61	(3.33)	(1.13)
Other comprehensive income for the year	(84)	37	180
Total comprehensive income for the year	36,300	(85,774)	(29,021)

Non-IFRS Measure

To supplement our consolidated financial statements which are presented in accordance with IFRS, we also use the adjusted net profit (a non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that such non-IFRS measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. However, our presentation of the adjusted net profit (a non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define the adjusted net profit (a non-IFRS measure) as profit for the year by eliminating the impacts of changes in carrying amount of redeemable capital contributions. The following table reconciles our adjusted net profit (a non-IFRS measure) presented to the financial measure calculated and presented in accordance with IFRS, namely profit/loss for the year:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Reconciliation of profit/loss for the year and adjusted net profit (a non-IFRS measure)			
Profit/(loss) for the year	36,384	(85,811)	(29,201)
Add:			
Changes in carrying amount of redeemable capital contributions	25,950	157,504	146,892
Adjusted net profit (a non-IFRS measure)	**62,334**	**71,693**	**117,691**

Our management considers that changes in carrying amount of redeemable capital contributions is a non-cash item, primarily due to which we incurred net loss for the year of 2022 and 2023 and such carrying amount will be reclassified from financial liabilities to equity upon completion of the Listing and the Global Offering. Therefore, by eliminating the impacts of the said item in the calculation of the adjusted net profit (a non-IFRS measure), such measure could better reflect our underlying operating performance and could better facilitate the comparison of operating performance from year to year.

Revenue

During the Track Record Period, we generated our revenue on a project basis mainly from offering enterprise-level solutions enabled primarily by our technologies on unified communications and AI to our customers. Depending upon specific users' concrete needs, the extent to which a certain solution involves each category of technologies may vary. The following table sets forth a breakdown of our total revenue by offering categories:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Enterprise-level solutions	456,871	99.3	491,641	95.5	801,060	98.5
Others*	3,064	0.7	23,351	4.5	11,957	1.5
Total	**459,935**	**100.0**	**514,992**	**100.0**	**813,017**	**100.0**

Note:

* Primarily related to promoting products empowered by our conversational AI technologies for our customers, from which we generated revenue

Specifically, our customers for our solutions during the Track Record Period included: (i) system integrators that embedded our solutions into their offerings to enterprise-level users; and (ii) enterprise-level users that used our solutions directly. The following table sets forth a breakdown of our revenue generated from offering solutions by customer types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Revenue from						
– *System integrators*	381,101	83.4	378,897	77.1	638,528	79.7
– *Enterprise-Level users*	75,770	16.6	112,744	22.9	162,532	20.3
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

The solutions that we offered during the Track Record Period consisted of: (i) software only solutions; and (ii) software plus hardware solutions in which we integrated our software systems with hardware devices, network and other telecommunication resources, and/or other services (if needed), etc., procured from suppliers as part of our total solutions. The software plus hardware solutions are usually required in order to avoid issues during the operation and maintenance of the systems, such as difficulty in faults identification, or when a single module's upgrade affects the operation of other modules, etc. Customers can determine the specifications of the solutions to be purchased from us and the delivery method based on their needs. The following table sets forth a breakdown of our revenue generated from offering solutions by solutions types, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions	85,447	18.7	162,548	33.1	282,980	35.3
Software plus hardware solutions	371,424	81.3	329,093	66.9	518,080	64.7
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

During the Track Record Period, we generated an increasing amount of revenue from our software only solutions, which also took up an increasing portion in our total revenue, mainly due to that (i) it is our increasingly heightened focus to scale up offering such solutions of higher margins in order to enhance our competitive positioning while expanding profit pools through the maturation and accumulation of our technologies. As we establish and enhance our market presence, we have gradually adopted the strategy that prioritizes offering software only solutions in projects in which customers do not specifically demand software plus hardware delivery or where there is no concrete scenario-specific benefit for doing so, provided that this priority would not affect our acquisition of such customers; and (ii) the continuous expansion of our customer bases who typically purchased from us software plus hardware solutions to firstly establish their communication platforms affords us the opportunities to up-sell software only solutions later to further diversify and enhance their unified communications and AI capabilities.

As certain customers may have specific demand on functionalities that are incidental to our technologies, we from time to time externally purchased software and/or services on developing project-specific software to enable offering total solutions on a one-stop basis during the Track Record Period. Since we focus our business on delivering values to enterprise-level users primarily based upon our technologies, such externally purchased software and/or software-development services took up a limited percentage of our cost of revenue in each year of the Track Record Period. For details, see "– Cost of Revenue" in this section. The following table sets forth a breakdown of our revenue generated from software only solutions enabled solely by our technologies and those that incorporated externally purchased software and/or software-development services for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Software only solutions						
– *Enabled solely by our technologies*	72,385	84.7	154,456	95.0	219,777	77.7
– *Including externally purchased software and/or software-development services*	13,062	15.3	8,092	5.0	63,203	22.3
Total	**85,447**	**100.0**	**162,548**	**100.0**	**282,980**	**100.0**

Our revenue generated from software only solutions that incorporated externally purchased software and/or software-development services fluctuated in each year of the Track Record Period, reflecting the contingent nature of the accessory functionalities demanded the relevant customers in each year. By contrast, our revenue generated from software only solutions enabled solely by our technologies increased continuously during the Track Record Period, which was consistent with the general trend of our revenue growth and also took up the major portion of our revenue generated from software only solutions. Our revenue generated from software only solutions enabled solely by our technologies contributed to a less percentage of our revenue generated from software only solutions in 2023, primarily due to the fact that we participated in certain projects that involved the purchase of functionally specific platforms supplementary to our technologies and accordingly generated a greater amount of revenue during the same period. Specifically, we primarily purchased externally for certain platforms for data analytic and management, and vehicle inspection to offer the relevant IoV solutions, as well as that for human resource maintenance to offer the relevant intelligent administration solutions, in each case on a one-stop basis.

During the Track Record Period, we generated our revenue primarily from providing our solutions in a number of end-customer industries, mainly including city management and administration, automotive and transportation, telecommunications, and finance:

- **City Management and Administration.** Our solutions have primarily been applied in intelligent community (comprehensive governmental projects involving diverse application scenarios), intelligent administration and intelligent IoT, where our technologies contribute to the establishment of smart cities where city infrastructure, public spaces and objects are interactively connected, and also make city management and administrative services more convenient and intelligent.

- **Automotive and Transportation.** Our solutions have primarily been applied in customer service for automobile and logistics companies, IoV service that enables a smart cockpit and facilitates the intelligent scheduling of vehicle resources and route navigation, as well as V2X autonomous driving, which helps realize a safe, convenient, intelligent and integrated automobile management and travel experience.

- **Telecommunications.** Our solutions can empower telecommunications companies' communication tools and other value-added services, such as cloud-based phone and intelligent work badge. Such solutions allow various communication and management needs of the enterprises that have procured such communication tools and value-added services to be intelligently satisfied, while substantially lowering deployment and maintenance costs.

- **Finance.** Our solutions offered to financial institutions have been applied primarily in telephone banking, thereby upgrading their customer services and promoting the comprehensive intelligent transformation of the finance industry. Additionally, we also offer solutions in service training that facilitate their internal processes.

In addition to offering solutions to the aforementioned four key end-customer industries, we are also expanding application of our conversational AI technologies to other industries. For details of our solution offerings, see "Business – Our Solution Offerings – Voicecomm Solutions" in this prospectus. The following table sets forth a breakdown of our revenue generated from offering solutions by end-customer industries, in absolute amounts and as a percentage of total solution revenue, for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
City management and administration	165,075	36.1	192,734	39.2	321,239	40.1
Automotive and transportation	81,251	17.8	83,393	17.0	191,077	23.9
Telecommunications	68,385	15.0	91,782	18.7	173,976	21.7
Finance	96,051	21.0	79,745	16.2	84,530	10.5
Other industries	46,109	10.1	43,987	8.9	30,238	3.8
Total	**456,871**	**100.0**	**491,641**	**100.0**	**801,060**	**100.0**

In each year of the Track Record Period, we generated substantially all of our revenue from customers in the PRC, except for RMB6.0 million from customers in overseas countries in 2023. The geographical location of a certain customer is determined by the location at which the relevant solutions at question were accepted.

Cost of Revenue

During the Track Record Period, our cost of revenue primarily consisted of (i) equipment costs in relation to hardware devices such as communication devices, servers and computers that were integrated into our solutions; (ii) network and other telecommunication resource costs, which primarily represented the network resources we procured for our city management and administration projects; (iii) employee benefit expenses; (iv) depreciation and amortization; (v) costs mainly in relation to providing promotion services for the sales of telecommunications terminals and other telecommunications resources and services; (vi) externally outsourced services primarily on developing project-specific software tailoring to certain customers' specific demand on functionalities that are incidental to our technologies in order to enable offering total solutions; and (vii) other costs.

Specifically, our promotion service costs increased from RMB14.0 million in 2021 to RMB31.1 million in 2022, primarily due to our increased procurement costs in relation to providing such promotion services, with the revenue generated therefrom increasing substantially during the same periods. Such promotion service costs decreased from RMB31.1 million in 2022 to RMB11.7 million in 2023, which was in line with the decrease of our revenue generated therefrom. For details, see "– Period to Period Comparison of Results of Operations – 2023 Compared to 2022" in this section. Our costs of externally purchased services fluctuated in each year of the Track Record Period, reflecting the contingent nature of the accessory software functionalities demanded the relevant customers in each year. Such costs increased from RMB6.2 million in 2022 to RMB53.8 million in 2023, primarily due to our increased procurement costs in relation to externally outsourced software-development services for providing IoV and intelligent administration solutions. The following table sets forth a breakdown of our cost of revenue by nature, in absolute amounts and as a percentage of total cost of revenue for the years indicated:

	Year Ended December 31,					
	2021		**2022**		**2023**	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Equipment costs	180,719	58.7	162,735	51.9	300,593	61.7
Network and other telecommunication resource costs	100,351	32.6	100,486	32.1	100,390	20.6
Employee benefit expenses	4,941	1.6	9,177	2.9	10,908	2.2

	Year Ended December 31,					
	2021		2022		2023	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Depreciation and amortization	770	0.3	2,728	0.9	4,367	0.9
Promotion service costs	14,030	4.6	31,060	9.9	11,670	2.4
Costs of outsourced services	6,433	2.1	6,150	2.0	53,775	11.0
Others	529	0.1	1,190	0.3	5,897	1.2
Total	**307,773**	**100.0**	**313,526**	**100.0**	**487,600**	**100**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of revenue, and our gross profit margin represents our gross profit as a percentage of our revenue. Our gross profit amounted to RMB152.2 million, RMB201.5 million and RMB325.4 million in 2021, 2022 and 2023, respectively, while our gross profit margin reached 33.1%, 39.1% and 40.0% during the same years, respectively.

The following table sets forth a breakdown of our gross profit generated from offering solutions by customer types, in absolute amounts and in terms of gross profit margin for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Gross profit from						
– *System integrators*	125,656	33.0	154,110	40.7	230,872	36.2
– *Enterprise-Level users*	37,472	49.5	55,065	48.8	94,258	58.0
	163,128	**35.7**	**209,175**	**42.5**	**325,130**	**40.6**

The following table sets forth a breakdown of our gross profit generated from offering solutions by solution types, in absolute amounts and in terms of gross profit margin for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Software only solutions	76,467	89.5	149,468	92.0	229,996	81.3
Software and hardware solutions	86,661	23.3	59,707	18.1	95,134	18.4
	163,128	**35.7**	**209,175**	**42.5**	**325,130**	**40.6**

Overall, gross profit margins for our software only solutions are higher than that for our software plus hardware solutions, primarily due to the fact that our software only solutions are primarily enabled by our technologies that are accounted for mainly as employee benefit expenses under the intrinsic cost structures. Decades of technological accumulations have thus allowed sustainably high gross profit levels as the usage of our software increments. By contrast, our software plus hardware solutions bundle software with outsourced hardware elements that can substantially normalize gross profit levels. During the Track Record Period, the gross profit margins of our software only solutions were relatively stable, which amounted to 89.5%, 92.0% and 81.3% in 2021, 2022 and 2023, respectively. In 2021, 2022 and 2023, the gross profit margins of our software plus hardware solutions fluctuated between 18.1% and 23.3%, which were essentially a result of the varied software-hardware composition ratios of different groups of software plus hardware solutions from which we generated revenue in each year. By the same token, the gross profit margins of our solutions offered to system integrators and enterprise-level users respectively also fluctuated in each year of the Track Record Period, which were inherently not comparable therebetween or in a year-to-year fashion, and might not be indicative of our overall gross profit margin level.

The following table sets forth a breakdown of our gross profit generated from software only solutions as between those enabled solely by our technologies and those that incorporated externally purchased software and/or software-development services, in absolute amounts and in terms of gross profit margin for the years indicated:

	Year Ended December 31,					
	2021		2022		2023	
	Gross profit	**Gross profit margin**	**Gross profit**	**Gross profit margin**	**Gross profit**	**Gross profit margin**
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Gross profit from software only solutions						
– *Enabled solely by our technologies*	69,404	95.9	147,443	95.5	209,402	95.3
– *Including externally purchased software and/or software-development services*	7,063	54.1	2,025	25.0	20,594	32.6
	76,467	**89.5**	**149,468**	**92.0**	**229,996**	**81.3**

As can be seen, the gross profit margins of software only solutions that incorporated externally purchased software and/or software-development services fluctuated in each year of the Track Record Period, which was essentially a result of the concrete compositions between such software and/or services and our software under the relevant solutions that we offered in each year, and would accordingly affect the specific cost structure for each solution. By contrast, the gross profit margins of our software only solutions enabled solely by our technologies remained stable in each year of the Track Record Period.

Other Revenue

During the Track Record Period, our other revenue represented government grants received as rewards of our contribution to technological innovations and regional economic development, and encouragement of project development, which were recognized in the consolidated statements of profit or loss when related conditions, if any were, satisfied. In 2021, 2022 and 2023, such government grants amounted to RMB7.7 million, RMB11.0 million and RMB27.2 million, respectively.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) technology service fees, which primarily represented outsourcing costs for certain non-core and less sophisticated research and development programs; (ii) employee benefit expenses, which primarily represented wages and benefits of our research and development staff; (iii) depreciation and amortization; and (iv) others. The following table sets forth a breakdown of our research and development expenses for the years indicated:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Technology service fees	20,077	29,083	46,391
Employee benefit expenses	13,471	23,948	34,843
Depreciation and amortization	1,278	8,935	15,571
Others	1,484	2,017	1,993
Total	**36,310**	**63,983**	**98,798**

During the Track Record Period, we engaged third-party technology service providers mainly for (i) the non-standardized steps in the development of our solutions, such as data training, AI algorithm optimization and specific user application development, so that we could more efficiently focus on our standardized functional modules to offer our solutions; and (ii) certain non-core technological programs supplemental to our core conversational AI technologies in areas that we have newly tapped into at the time, such as that related to ICV projects and intelligent video analysis, so as to quickly penetrate into such areas and offer innovative solutions in a cost-efficient manner. During the Track Record Period, such fees accounted for a major portion of our research and development expenses in relation to other expenditures thereunder (e.g., employee benefit expenses), mainly reflecting the fact that we have accomplished a level of economies of scale in our technologies based upon our rich technological and know-how precipitation accumulated for nearly two decades. While our technology service fees increased during the Track Record Period, which was consistent with our expanded business operations and enhanced research and development activities to be carried out, our research and development expenses as a percentage of our revenue was 7.9%, 12.4% and 12.2%, respectively.

The following tables set forth the details of our major third-party technology service providers in each year of the Track Record Period:

Major Technology Service Providers for 2021	**Background**	**Research and Development Expenses Attributable to the Provider**	**Details of the Technology Services Procured**
		RMB'000	
Supplier K	An Anhui-based company focusing on technology development, consulting, transfer and other services in the field of cloud computing, information and network technology	10,377	Technological development services relating to intelligent video analysis platform enabled by technologies on visualization engine, geographic information system (GIS) visualization, edge computing and cloud-edge coordination, etc., which facilitated our video analysis and management related technological steps
Supplier F	For details, see "Business – Suppliers and Procurement – Top Suppliers" in this prospectus	4,586	Technological development services relating to big data governance, comprising data integration, quality control and management, etc., according to industrial standards, which optimized our AI algorithm training processes; and IoT management platform used for remote control of display screens, which enabled unified control of image and video-based content output and management, and facilitated our terminal-end display related technological steps

Major Technology Service Providers for 2021	Background	Research and Development Expenses Attributable to the Provider	Details of the Technology Services Procured
		RMB'000	
Supplier L	A Shanghai-based company focusing on software development and other technology development, consulting, transfer, and promotion services	1,937	Technological development services relating to software applications on enterprises' full life-cycle management of their individual users for purposes of facilitating product sales, after-sale and other customer services, including functions such as user profiling and management of sales leads, user identity, promotion activities, and membership and benefits, etc., which supplemented our technologies applied in customer service related scenarios
Supplier M	A Shanghai-based company focusing on technology development, transfer, consulting and other services in the field of network technology	1,280	Technological development services relating to livestreaming application and management system realizing functions such as accounts management and data statistics, which supplemented our technologies applied in e-commerce and retailing related scenarios

Major Technology Service Providers for 2022	Background	Research and Development Expenses Attributable to the Provider	Details of the Technology Services Procured
		RMB'000	
Supplier N	A Jiangsu-based company focusing on AI industry application system integration services and software development	10,663	Technological development services relating to voice and image data collection and training, as well as AI algorithm optimization for purposes of training our AI algorithms
Supplier J	A Shanghai-based company focusing on computer system integration services and computer software development, design and production	9,003	Technological development services relating to intelligent processing hub based on big data, covering data integration, storage, processing, computing and application, which could be applied in projects where data interconnection among various heterogeneous platforms such as that on big data, IoT, user and visitor management, video storage, city infrastructure management, etc., would be needed
Supplier L	A Shanghai-based company focusing on software development and other technology development, consulting, transfer, and promotion services	5,258	Technological development services relating to software applications on enterprises' full life-cycle management of their individual users for purposes of facilitating product sales, after-sale and other customer services, including functions such as user profiling and management of sales leads, user identity, promotion activities, and membership and benefits, etc., which supplemented our technologies applied in customer service related scenarios

Major Technology Service Providers for 2023	Background	Research and Development Expenses Attributable to the Provider	Details of the Technology Services Procured
		RMB'000	
Supplier J	A Shanghai-based company focusing on computer system integration services and computer software development, design and production	8,719	Technological development services relating to data training and management platform that enhanced our data processing capabilities, allowing such key functions as managing multiple training assignments based upon different algorithm frameworks, intelligently allocating computing resources and optimizing parameters, managing and evaluating models, scalably integrating other systems, and improving data security and privacy protection
Supplier O	For details, see "Business – Suppliers and Procurement – Top Suppliers" in this prospectus	7,358	Technological development services relating to AI algorithm optimization targeting automatic analysis of statutory and regulatory texts in lieu of human labor, which improved our conversational AI technologies' performance in serving administrative service related scenarios
Supplier P	For details, see "Business – Suppliers and Procurement – Top Suppliers" in this prospectus	8,269	Technological development services relating to data training based on a centralized data platform capable of managing, processing and distributing massive data involved in ICV-related scenarios, so that our technologies could better serve the said scenarios

Major Technology Service Providers for 2023	Background	Research and Development Expenses Attributable to the Provider	Details of the Technology Services Procured
		RMB'000	
Supplier L	A Shanghai-based company focusing on software development and other technology development, consulting, transfer, and promotion services	5,836	Technological development services relating to software applications on enterprises' full life-cycle management of their individual users for purposes of facilitating product sales, after-sale and other customer services, including functions such as user profiling and management of sales leads, user identity, promotion activities, and membership and benefits, etc., which supplemented our technologies applied in customer service related scenarios; processing and analysis services for natural language data via Enterprise Wechat
Supplier R	A Shandong-based company focusing on basic telecommunication services, information system integration services, software development and network technology services	6,795	Server hosting services for the purpose of continuing establishing our AI empowerment computing center. For details, see "Business – Our Technologies – AI Technologies – AI Empowerment Computing Center" in this prospectus.

For details of the salient terms of our agreements with our third party technology service providers during the Track Record Period, see "Business – Suppliers and Procurement" in this section.

Selling and Marketing Expenses

During the Track Record Period, our selling and marketing expenses primarily consisted of (i) employee benefit expenses, which primarily represented wages and benefits of our selling and marketing staff; (ii) marketing and traveling expenses; (iii) depreciation and amortization; and (iv) others. The following table sets forth a breakdown of our selling and marketing expenses for the years indicated:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses	2,091	2,656	5,779
Marketing and traveling expenses	827	3,957	3,268
Depreciation and amortization	138	518	663
Others	106	118	637
Total	**3,162**	**7,249**	**10,347**

Administrative and Other Operating Expenses

During the Track Record Period, our administrative and other operating expenses primarily consisted of (i) employee benefit expenses, which primarily represented wages and benefits of our administrative and other staff; (ii) professional service and other consulting fees in relation to various legal, financial and consulting services; (iii) depreciation and amortization; and (iv) others in relation to various miscellaneous costs. The following table sets forth a breakdown of our administrative and other operating expenses for the years indicated:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Employee benefit expenses	9,424	13,185	18,281
Professional service and other consulting fees	9,658	7,255	22,807
Depreciation and amortization	1,648	5,733	9,926
Others	3,822	5,313	7,485
Total	**24,552**	**31,486**	**58,499**

Impairment Loss on Trade Receivables

During the Track Record Period, our impairment loss on trade receivables represented the allowance for credit losses on our trade receivables. In 2021, 2022 and 2023, we had impairment loss on trade receivables of RMB17.4 million, RMB42.6 million and RMB55.4 million, respectively.

Net Finance Costs

During the Track Record Period, our finance income represented interest income from bank deposits and our finance costs primarily consisted of (i) interest on bank loans and other borrowings; (ii) interest on borrowings from related parties; and (iii) interest on lease liabilities. The following table sets forth a breakdown of our net finance costs for the years indicated:

	Year Ended December 31,		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Interest income from bank deposits	(30)	(31)	(73)
Finance income	**(30)**	**(31)**	**(73)**
Interest on bank loans and other borrowings	7,839	8,532	11,132
Interest on borrowings from related parties	–	130	–
Interest on lease liabilities	374	403	637
Finance costs	**8,213**	**9,065**	**11,769**
	8,183	**9,034**	**11,696**

Changes in Carrying Amount of Redeemable Capital Contributions

During the Track Record Period, changes in carrying amount of redeemable capital contributions represented that in relation to equity investments from the Series A Investors, Series B Investors, Series B+ Investors and Series C Investors classified as current liabilities. For details, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Redeemable Capital Contributions" in this section. In 2021, 2022 and 2023, such changes in carrying amount amounted to RMB26.0 million, RMB157.5 million and RMB146.9 million, respectively.

Changes in Fair Value of Financial Assets Measured at Fair Value Through Profit or Loss

During the Track Record Period, changes in fair value of financial assets measured at fair value through profit or loss represented that in relation to our strategic investment in a private company incorporated in PRC that primarily engages in the manufacturing and sales of AI hardware. For details, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Financial Assets Measured at Fair Value through Profit or Loss (FVPL)" in this section. In 2021, 2022 and 2023, such changes in fair value amounted to nil, RMB8.3 million and RMB0.3 million, respectively.

Income Tax

During the Track Record Period, our income tax consisted of current income tax and deferred tax. Our Company obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% for each of 2021, 2022 and 2023. Under the *PRC Income Tax Law* and its relevant regulations, 75% additional tax deduction was allowed for our qualified research and development expenses in 2021 and the nine months ended September 30, 2022, and 100% additional tax deduction was allowed for our qualified research and development expenses from October 1, 2022 to December 31, 2023. For details of other preferential tax treatments that certain of our subsidiaries were entitled to during the Track Record Period, see Note 7 to the Accountants' Report in Appendix I to this prospectus. For details of our deferred tax assets and liabilities, see Note 27(b) to the Accountants' Report in Appendix I to this prospectus. The following table sets forth the components of our income tax for the years indicated:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	11,042	81	10,354
(Over)-provision in respect of prior years	–	–	(375)
Deferred tax			
Origination and reversal of temporary differences	(2,995)	(5,154)	(9,533)
Total	**8,047**	**(5,073)**	**446**

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

2023 Compared to 2022

Revenue

Our total revenue increased from RMB515.0 million in 2022 to RMB813.0 million in 2023, primarily due to our continuous expansion of operational scale, which drove our revenue from each of our four key end-customer industries to increase simultaneously, the continuous expansion of our customer base, as well as the fact that our revenue in 2022 had been temporarily negatively impacted by the COVID-19 pandemic. Our revenue from automotive and transportation increased substantially from RMB83.4 million in 2022 to RMB191.1 million in 2023, primarily due to the increased purchase of our solutions from our existing major customers and the expansion of customer base in the industry. For instance, Customer A, one of our major customers in automotive and transportation during the Track Record Period that contributed to our second largest project in 2021 and fourth largest project in 2022 in terms of revenue contribution further expanded its purchase from us in 2023. Specifically, the revenue generated from Customer A increased 27.3% in 2023 as compared with 2022. Our revenue from city management and administration also increased substantially from RMB192.7 million in 2022 to RMB321.2 million in 2023, primarily due to our continuous offering of solutions for intelligent towns and more diversified types of administrative platforms, as well as the acquisition of Jinxun Digital Intelligence completed in December 2022. For instance, three of our five largest projects in terms of revenue contribution in 2023 were from city management and administration. Our revenue from telecommunications industry increased from RMB91.8 million in 2022 to RMB174.0 million in 2023, primarily due to the increased purchase of our solutions from our existing customers. For instance, Customer B, one of our major customers in telecommunications industry during the Track Record Period that contributed to our fifth largest project in 2021 and third largest project in 2022 in terms of revenue contribution further expanded its purchase from us in 2023. Specifically, the revenue generated from Customer B increased 17.4% in 2023 as compared with 2022. Our revenue from finance industry also increased slightly from RMB79.7 million in 2022 to RMB84.5 million in 2023.

Our revenue from other industries decreased from RMB44.0 million in 2022 to RMB30.2 million in 2023, primarily due to our primary focus on operating in our four key end-customer industries. Our other revenue from providing promotion services for the sales of telecommunications terminals and other telecommunications resources and services decreased from RMB23.4 million in 2022 to RMB12.0 million in 2023, primarily due to our investment of greater financial resources and efforts in the former period when we initiated the provision of the said services.

Cost of Revenue

Our cost of revenue increased from RMB313.5 million in 2022 to RMB487.6 million in 2023, which was generally in line with the growth of our revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 61.5% from RMB201.5 million in 2022 to RMB325.4 million in 2023. Our gross profit margin increased slightly from 39.1% in 2022 to 40.0% in 2023.

Other Revenue

Our other revenue increased from RMB11.0 million in 2022 to RMB27.2 million in 2023, primarily due to the government grants that we newly received in 2023. Such government grants that we newly received in 2023 primarily consisted of those that were income-related in nature, including project-based rewards by local governmental entities in Shanghai for our technological credentials and endeavors, such as "Project Support for High and New Technology Enterprises in Minhang District" (閔行區高新企業項目化扶持) and "Little Giant Project Subsidy by the Science and Technology Commission of Shanghai Municipality" (上海市科學技術委員會小巨人項目補貼), as well as VAT refund.

Research and Development Expenses

Our research and development expenses increased significantly from RMB64.0 million in 2022 to RMB98.8 million in 2023, as we continuously increased our research and development efforts to enhance our technological capabilities and to meet the needs of our business growth. More specifically, the increase was primarily attributable to (i) an increase in technology service fees from RMB29.1 million in 2022 to RMB46.4 million in 2023, primarily in relation to data training and AI algorithm optimization in line with the increased demand for our solutions and thus the greater data volume involved; (ii) an increase in employee benefit expenses from RMB23.9 million in 2022 to RMB34.8 million in 2023, mainly due to the increased headcounts and compensation level of our research and development staff as a result of the expansion of our research and development team; and (iii) an increase in depreciation and amortization in association with our research and development activities from RMB8.9 million in 2022 to RMB15.6 million in 2023.

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB7.2 million in 2022 to RMB10.3 million in 2023, primarily driven by an increase in employee benefit expenses from RMB2.7 million in 2022 to RMB5.8 million in 2023, mainly due to the increased headcounts and compensation level of our selling and marketing staff as a result of the expansion of our sales team.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased from RMB31.5 million in 2022 to RMB58.5 million in 2023, primarily as a result of (i) a significant increase in professional service and other consulting fees from RMB7.3 million in 2022 to RMB22.8 million in 2023 in relation to the Global Offering; (ii) an increase in employee benefit expenses from RMB13.2 million in 2022 to RMB18.3 million in 2023, mainly due to the increased headcounts and compensation level of our administrative and other staff as a result of the expansion of our management and administration team and increased number of operating subsidiaries; and (iii) an increase in depreciation and amortization in association with our administrative and other operating activities from RMB5.7 million in 2022 to RMB9.9 million in 2023.

Impairment Loss on Trade Receivables

Our impairment loss on trade receivables increased from RMB42.6 million in 2022 to RMB55.4 million in 2023, reflecting a substantial slowdown in the increase of our loss allowance on trade receivables. For details of our progresses made on collection of our trade receivables since 2023, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this section.

Net Finance Costs

Our net finance costs increased slightly from RMB9.0 million in 2022 to RMB11.7 million in 2023, primarily due to an increase in interest on bank loans and other borrowings.

Changes in Carrying Amount of Redeemable Capital Contributions

Our changes in carrying amount of redeemable capital contributions decreased from RMB157.5 million in 2022 to RMB146.9 million in 2023, which was primarily related to the expected amount to be paid to the relevant investors upon redemption or liquidation in relation to the redemption rights and liquidation preference under their equity investments.

Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Our changes in fair value of financial assets measured at fair value through profit or loss decreased from RMB8.3 million in 2022 to RMB0.3 million in 2023, which was related to our strategic investment in a private company incorporated in PRC that primarily engages in the manufacturing and sales of AI hardware in 2021.

Income Tax

Our income tax changed from a tax credit of RMB5.1 million in 2022 to a tax charge of RMB0.4 million in 2023, primarily due to a significant increase in our current tax provision for the year.

Loss for the Year

As a result of the foregoing, our loss for the year decreased from RMB85.8 million in 2022 to RMB29.2 million in 2023.

2022 Compared to 2021

Revenue

Our total revenue increased from RMB459.9 million in 2021 to RMB515.0 million in 2022, primarily due to the growth in our revenue from city management and administration and telecommunications industry. Our revenue from city management and administration increased from RMB165.1 million in 2021 to RMB192.7 million in 2022, primarily due to our continuous offering of solutions for intelligent towns and other industrial parks, as well as the increased purchase of our solutions from our existing customers. Our revenue from telecommunications industry also increased from RMB68.4 million in 2021 to RMB91.8 million in 2022, primarily due to the increased purchase of our solutions from our existing customers. For instance, Customer B, one of our major customers in telecommunications industry during the Track Record Period that contributed to our fifth largest project in 2021 and third largest project in 2022 in terms of revenue contribution further expanded its purchase from us in 2022. Specifically, the revenue generated from Customer B increased 173.6% in 2022 as compared with 2021. Our revenue from automotive and transportation also increased from RMB81.3 million in 2021 to RMB83.4 million in 2022. Leveraging our IoV-related service experiences accumulated for more than one decade and our recent penetration into V2X scenario, we expect that our revenue from automotive and transportation will be further driven by the rapid technological developments and proliferation of autonomous driving and new-energy vehicles in China. Our revenue from finance industry decreased from RMB96.1 million in 2021 to RMB79.7 million in 2022, primarily due to our temporarily reduced business transactions in 2022 with one of our major customers that contributed to our third largest project in 2021 in terms of revenue contribution due to the adverse impact of COVID-19 on the end users' timely payment. However, based on the mutual understanding between us and such customer, we believe that business transactions between the two parties will resume along with the decline of the spread of COVID-19 in China since 2023.

Cost of Revenue

Our cost of revenue increased from RMB307.8 million in 2021 to RMB313.5 million in 2022, which was generally in line with the growth of our revenue.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 32.4% from RMB152.2 million in 2021 to RMB201.5 million in 2022. Our gross margin increased from 33.1% in 2021 to 39.1% in 2022, which was primarily due to the increased level of modularization and standardization of our solutions. For instance, two of our five largest projects in terms of revenue contribution in 2022 were realized through software only or software plus hardware solutions featuring relatively high project-based gross profit margin.

Other Revenue

Our other revenue increased from RMB7.7 million in 2021 to RMB11.0 million in 2022, primarily due to the government grants that we newly received in 2022.

Research and Development Expenses

Our research and development expenses increased significantly from RMB36.3 million in 2021 to RMB64.0 million in 2022, as we further increased our research and development efforts to enhance our technological capabilities and to meet the needs of our business growth. More specifically, the increase was primarily attributable to (i) a significant increase in employee benefit expenses from RMB13.5 million in 2021 to RMB23.9 million in 2022, mainly due to the increased headcounts and compensation level of our research and development staff as a result of the expansion of our research and development team; and (ii) a significant increase in technology service fees from RMB20.1 million in 2021 to RMB29.1 million in 2022 as a result of our iterative and continuous development in relation to our product engine and the analytic and application capabilities of our solutions, etc., in order to further the penetration of our solutions into different end-customer industries.

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB3.2 million in 2021 to RMB7.2 million in 2022, which was primarily driven by our continuous efforts to enhance our brand awareness and investments in engaging with existing customers and attracting new customers. More specifically, the increase was primarily attributable to (i) an increase in marketing and traveling expenses from RMB0.8 million in 2021 to RMB4.0 million in 2022, mainly due to our advertisement placements to promote our solutions in automotive and transportation and also build our brand; and (ii) an increase in employee benefit expenses from RMB2.1 million in 2021 to RMB2.7 million in 2022, mainly due to the increased headcounts and compensation level of our selling and marketing staff as a result of the expansion of our sales team.

Administrative and Other Operating Expenses

Our administrative and other operating expenses increased from RMB24.6 million in 2021 to RMB31.5 million in 2022, primarily as a result of (i) an increase in depreciation and amortization from RMB1.6 million in 2021 to RMB5.7 million in 2022, mainly due to the increased amortization of our acquired software; and (ii) an increase in employee benefit expenses from RMB9.4 million in 2021 to RMB13.2 million in 2022, mainly due to the increased headcounts and compensation level of our administrative and other staff as a result of the expansion of our management and administration team to support our business growth.

Impairment Loss on Trade Receivables

Our impairment loss on trade receivables increased from RMB17.4 million in 2021 to RMB42.6 million in 2022, which was in line with the substantial increase in our trade receivables during the same years as driven by the overall growth in the revenue generated from our solutions. For details, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this section.

Net Finance Costs

Our net finance costs increased slightly from RMB8.2 million in 2021 to RMB9.0 million in 2022, primarily due to an increase in interest on bank loans and other borrowings.

Changes in Carrying Amount of Redeemable Capital Contributions

Changes in carrying amount of redeemable capital contributions increased from RMB26.0 million in 2021 to RMB157.5 million in 2022, primarily due to an increase in the expected amount to be paid to the relevant investors upon redemption or liquidation in relation to the redemption rights and liquidation preference under their equity investments.

Changes in Fair Value of Financial Assets Measured at Fair Value through Profit or Loss

Changes in fair value of financial assets measured at fair value through profit or loss increased from nil in 2021 to RMB8.3 million in 2022, which was related to our strategic investment in a private company incorporated in PRC that primarily engages in the manufacturing and sales of AI hardware in 2021.

Income Tax

Our income tax changed from a tax charge of RMB8.0 million in 2021 to a tax credit of RMB5.1 million in 2022, primarily due to a significant decrease in our current tax provision for the year.

Profit for the Year

As a result of the foregoing, we record net profit of RMB36.4 million in 2021 and net loss of RMB85.8 million in 2022.

DISCUSSION OF SELECTED ITEMS FROM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Non-current assets			
Property and equipment	4,973	64,530	96,647
Right-of-use assets	7,702	10,694	14,616
Intangible assets	24,236	110,950	110,682
Goodwill	17,111	39,168	39,168
Interests in associates	360	2,041	230
Equity securities designated at fair value through other comprehensive income (FVOCI)	516	560	771
Financial assets measured at fair value through profit or loss (FVPL)	20,000	28,337	28,595
Prepayments	72,909	34,360	179,956
Deferred tax assets	5,184	10,038	18,399
Total non-current assets	**152,991**	**300,678**	**489,064**
Current assets			
Inventories and other contract costs	112,475	95,269	7,653
Trade and other receivables	242,812	339,674	602,705
Prepayments	95,296	139,219	233,834
Cash	10,641	20,434	46,876
Total current assets	**461,224**	**594,596**	**891,068**
Current liabilities			
Trade and other payables	46,518	59,433	43,389
Contract liabilities	26,732	31,127	97,423
Bank loans and other borrowings	150,663	211,650	342,000
Lease liabilities	2,302	4,128	8,115
Taxation payable	2,897	2,890	3,169
Redeemable capital contributions	265,666	527,970	852,912
Total current liabilities	**494,778**	**837,198**	**1,347,008**
Net current liabilities	**(33,554)**	**(242,602)**	**(455,940)**

	As of December 31,		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities			
Bank loans and other borrowings	–	10,000	10,000
Lease liabilities	6,614	8,589	10,684
Deferred tax liabilities	2,016	3,973	2,832
Deferred income	1,047	871	2,036
Total non-current liabilities	**9,677**	**23,433**	**25,552**
Net assets	**109,760**	**34,643**	**7,572**
Capital and reserves			
Share capital	25,670	28,290	31,059
Reserves	81,389	(8,349)	(42,742)
Total equity attributable to equity shareholders of our Company	107,059	19,941	(11,683)
Non-controlling interests	2,701	14,702	19,255
Total equity	**109,760**	**34,643**	**7,572**

Current Assets and Liabilities

The table below sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of April 30,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current assets				
Inventories and other contract costs	112,475	95,269	7,653	5,059
Trade and other receivables	242,812	339,674	602,705	611,718
Prepayments	95,296	139,219	233,834	264,220
Cash	10,641	20,434	46,876	49,726
Total current assets	**461,224**	**594,596**	**891,068**	**930,723**

	As of December 31,			As of April 30,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Current liabilities				
Trade and other payables	46,518	59,433	43,389	41,424
Contract liabilities	26,732	31,127	97,423	55,131
Bank loans and other borrowings	150,663	211,650	342,000	434,840
Lease liabilities	2,302	4,128	8,115	9,189
Taxation payable	2,897	2,890	3,169	885,115
Redeemable capital contributions	265,666	527,970	852,912	3,185
Total current liabilities	**494,778**	**837,198**	**1,347,008**	**1,428,884**
Net current liabilities	**(33,554)**	**(242,602)**	**(455,940)**	**(498,161)**

Our net current liabilities increased from RMB33.6 million as of December 31, 2021 to RMB242.6 million as of December 31, 2022, mainly because our total current assets increased from RMB461.2 million as of December 31, 2021 to RMB594.6 million as of December 31, 2022, primarily due to an increase in our trade and other receivables, while our total current liabilities increased from RMB494.8 million as of December 31, 2021 to RMB837.2 million as of December 31, 2022, primarily due to an increase in our (i) redeemable capital contributions significantly from RMB265.7 million as of December 31, 2021 to RMB528.0 million as of December 31, 2022; and (ii) bank loans and other borrowings from RMB150.7 million as of December 31, 2021 to RMB211.7 million as of December 31, 2022. Our net current liabilities further increased to RMB455.9 million as of December 31, 2023, mainly because our total current assets increased from RMB594.6 million as of December 31, 2022 to RMB891.1 million as of December 31, 2023, primarily due to an increase in our trade and other receivables and prepayments as we scaled up our operations, while our total current liabilities increased from RMB837.2 million as of December 31, 2022 to RMB1,347.0 million as of December 31, 2023, primarily due to an increase in our (i) redeemable capital contributions significantly from RMB528.0 million as of December 31, 2022 to RMB852.9 million as of December 31, 2023; and (ii) bank loans and other borrowings from RMB211.7 million as of December 31, 2022 to RMB342.0 million as of December 31, 2023. The aforementioned significant amount of our redeemable capital contributions was in relation to our obligation to repurchase equity investments respecting the Pre-IPO Investments and as a result of our growing market capitalization, and the increase in our bank loans and other borrowings were incurred to fund our continuously expanded business.

We expect to turn our net current liabilities position into net current assets upon completion of the Listing and the Global Offering, as carrying amount of such redeemable capital contributions will be reclassified from financial liabilities to equity as a result of the termination of the preferred rights. For details, see "Financial Information – Discussion on Selected Items from Consolidated Statements of Financial Position – Redeemable Capital Contributions" in this prospectus. Furthermore, we endeavor to improve our net current position by improving our operating efficiency through enhanced cost control measures, therefore leading to sustainable growth with limited incremental costs. Moreover, we will further manage our cash flows, aiming to reach better liquidity and improved cash position which in turn can increase our current assets.

Our net assets decreased from RMB109.8 million as of December 31, 2021 to RMB34.6 million as of December 31, 2022, mainly reflected changes in equity primarily resulting from our loss for the year of 2022 of RMB85.8 million. Our net assets decreased from RMB34.6 million as of December 31, 2022 to RMB7.6 million as of December 31, 2023, mainly reflected changes in equity primarily resulting from our loss for the year of 2023 of RMB29.2 million.

Property and Equipment

During the Track Record Period, our property and equipment primarily consisted of electronic equipment, furniture, servers, vehicles, construction-in-progress and leasehold improvements. The following table sets forth a breakdown of our property and equipment as of the dates indicated:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Electronic equipment	2,008	1,475	2,801
Furniture	314	260	575
Servers	1,778	2,293	81,568
Vehicles	23	23	23
Construction-in-progress	253	60,172	–
Leasehold improvements	597	307	11,680
	4,973	**64,530**	**96,647**

Our property and equipment increased from RMB5.0 million as of December 31, 2021 to RMB64.5 million as of December 31, 2022, and further to RMB96.6 million as of December 31, 2023, primarily due to significant additions of construction-in-progress, which had been transferred as fixed assets as of December 31, 2023, as a result of the construction of our AI empowerment computing center.

Right-of-Use Assets

During the Track Record Period, our right-of-use assets primarily related to our leased buildings used in our operations. Our right-of-use assets increased from RMB7.7 million as of December 31, 2021 to RMB10.7 million as of December 31, 2022, and further to RMB14.6 million as of December 31, 2023, primarily due to our entry into new leases to support our business expansions and our modifications made thereto in 2023.

Intangible Assets

During the Track Record Period, our intangible assets primarily consisted of software and patents. The following table sets forth a breakdown of our intangible assets as of the dates indicated:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Software	16,173	95,056	96,988
Patents	8,063	15,894	13,694
	24,236	**110,950**	**110,682**

Our intangible assets increased from RMB24.2 million as of December 31, 2021 to RMB111.0 million as of December 31, 2022, primarily due to continuous additions of (i) purchase of software in relation to enhancing our technological development and accumulations, improving our service capabilities, as well as offering specific solutions; and (ii) patents as a result of our acquisitions of Jinxun Digital Intelligence in 2022. While our solutions offered during the Track Record Period were based upon our core technologies, we made significant purchase of software during the Track Record Period primarily for purposes of internal corporate management and administration, as well as in relation to: (i) video-related areas such as intelligent human image recognition and image and video storage, which synergize with our core conversational AI technologies to allow speedy offering of solutions catering to enterprise-level users' demands and facilitate the development and commercialization of visualizable conversational AI in the short term; (ii) management and optimization of multimodal data, which could improve our efficiency for AI algorithm training; and (iii) other technologies that render coordination in specific application scenarios of our solutions, such as that in city management and administration and automotive and transportation. The net book value of our software increased significantly from RMB16.2 million as of December 31, 2021 to RMB95.1 million as of December 31, 2022, primarily due to our increased purchase of software in relation to the aforementioned internal corporate management and administration, training and optimization of AI algorithms, and the development of visualizable conversational AI. Our intangible assets remained relatively stable at RMB111.0 million as of December 31, 2022 and RMB110.7 million as of December 31, 2023.

Goodwill

Our goodwill increased from RMB17.1 million as of December 31, 2021 to RMB39.2 million as of December 31, 2022 and December 31, 2023, as a result of our acquisition of Jinxun Digital Intelligence in 2022. For details of the acquisitions, see "History, Development and Corporate Structure – Acquisitions During the Track Record Period" in this prospectus.

Goodwill is attributable to the acquired market share and economies of scale expected to be derived from combining with the operations of our Group following these acquisitions. We carry out our annual impairment test on goodwill by comparing the recoverable amounts of cash-generating unit (CGU) or group of CGUs to the carrying amounts. Goodwill arising from the acquisitions of Yuanya Information and Jinxun Digital Intelligence was monitored separately and assessed as separate CGUs for the purpose of impairment testing. Specifically, impairment review on the goodwill had been conducted by our management as of December 31, 2021, 2022 and 2023. The recoverable amounts of the CGUs are determined based on value-in-use (VIU) calculations. These calculations use cash flow projections based on financial budgets approved by our management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates.

Key assumptions of the significant CGU as of December 31, 2021 are set out as follow:

	Yuanya Information
Compound annual growth rate of revenue during the five-year forecast period	12.5%
Long-term growth rate	2.5%
Discount rate	16.3%

Key assumptions of the significant CGU as of December 31, 2022 are set out as follow:

	Yuanya Information	**Jinxun Digital Intelligence**
Compound annual growth rate of revenue during the five-year forecast period	13.0%	7.9%
Long-term growth rate	2.3%	2.3%
Discount rate	16.3%	16.8%

Key assumptions of the significant CGU as of December 31, 2023 are set out as follow:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the five-year forecast period	8.1%	19.5%
Long-term growth rate	2.2%	2.2%
Discount rate	16.3%	16.8%

We adopted the discounted cash flow ("**DCF**") method to determine the recoverable amount of the CGU with the assistance of an independent valuer. In order to perform the impairment assessment, we prepared cash flow projections of the CGU as of December 31, 2021, 2022 and 2023, and specific risk has been considered in the risk adjusted cash flow projections. After considering all the inputs, the pre-tax discount rate derived as of each of December 31, 2021, 2022 and 2023 was around to 16.3% and 16.8% as the inputs to the model in determining the discount rate remained similar as of each of the same dates.

Details of the headroom calculated based on the recoverable amounts deducting the carrying amounts allocated for the significant CGUs are set out as follows:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Yuanya Information	2,754	4,004	7,864
Jinxun Digital Intelligence	–	2,854	7,861

Our management has undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the five-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as of December 31, 2021:

	Yuanya Information
Compound annual growth rate of revenue during the five-year forecast period	-0.5%
Discount rate	+0.7%

The following table sets out the hypothetical changes to annual growth rate during the five-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as of December 31, 2022:

	Yuanya Information	**Jinxun Digital Intelligence**
Compound annual growth rate of revenue during the five-year forecast period	-0.6%	-0.6%
Discount rate	+1.1%	+0.6%

The following table sets out the hypothetical changes to annual growth rate during the five-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as of December 31, 2023:

	Yuanya Information	**Jinxun Digital Intelligence**
Compound annual growth rate of revenue during the five-year forecast period	-2.0%	-2.0%
Discount rate	+1.9%	+1.6%

Our Directors determined that no impairment on goodwill was required as of December 31, 2021, 2022 and 2023 with reference to the recoverable amounts. We performed annual impairment test on goodwill at the end of each reporting year. The recoverable amount of the CGU based on the VIU calculations is higher than its carrying amount as of December 31, 2021, 2022 and 2023. With regard to the assessment of the VIU of the CGUs, our Directors believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts. For details, see Note 15 to the Accountants' Report in Appendix I to this prospectus.

Financial Assets Measured at Fair Value through Profit or Loss (FVPL)

During the Track Record Period, our financial assets measured at FVPL arose from our strategic investment of unlisted equity securities in a private company incorporated in PRC that primarily engages in the manufacturing and sales of AI hardware. The investment was classified as financial assets measured at FVPL because it contains substantive liquidation preference and is redeemable at our option if the invested company is liquidated in the future. The redeemable amount is calculated by investment consideration plus remaining net assets on pro rata basis. Our financial assets measured at FVPL increased from RMB20.0 million as of December 31, 2021 to RMB28.3 million as of December 31, 2022, and further to RMB28.6 million as of December 31, 2023, as a result of the business growth of such invested company. For details, see Note 18 to the Accountants' Report in Appendix I to this prospectus.

We have been in the past, and may in the future, prudently evaluate and consider a wide array of potential investments in emerging businesses that are complementary to our business to implement our long-term growth strategy, develop our solutions and expand and penetrate the end-customer industries we cover. We select our investment target companies based on the end-customer industry in which the target operates, the target's strengths of technologies and solutions, the target's business and financial performance and the synergies between the target and us. During the Track Record Period, we made minority equity investments in certain private company, which were measured as financial assets at fair value through profit or loss. We undertake prudent evaluation and approval process in making investment decisions. When potential investment opportunities are presented to our leadership, our senior management team will arrange dedicated personnel to conduct preliminary due diligence and evaluation against the applicable selection criteria, the results of which will then be submitted to our senior management team for pre-approval. Upon such pre-approval, a project working group will be organized and third-party professionals will be engaged to conduct comprehensive due diligence, negotiate with the target company and evaluate risks associated with the investment. Investment agreements will be subject to review by professionals with legal and financial expertise and our senior management team members experienced in negotiating and executing equity investments. After making an investment, we typically conduct on-site visits at the invested company periodically and report their operational and financial results to our senior management team regularly, continuing to monitor its business performance. Our Board is the ultimate decision-making authority on investments, responsible for overseeing all the investment decisions and evaluating the reasons for the investment, and will conduct periodical review on the returns of our investments. In particular, any investment to the following effects shall be subject to our Board's prior review: (i) the transaction amount (including debts and expenses assumed) accounts for 50% or more of our Company's audited net assets at latest audited financial statements; (ii) the profit generated from the transaction accounts for 50% or more of our Company's audited net profit in the most recent accounting year; (iii) the relevant operating revenue of the target in the most recent accounting year accounts for 50% or more of our Company's audited operating revenue in such most recent accounting year; or (iv) the relevant net profit of the target in the most recent accounting year accounts for 50% or more of our Company's audited net profit in such most recent accounting year. These investments will be subject to the compliance with Chapter 14 of the Listing Rules after the Listing.

Prepayments

During the Track Record Period, our prepayments primarily consisted of the current portion of prepayments for goods and services and the non-current portion of prepayments for purchase of property, equipment and intangible assets, as well as for services. The following table sets forth a breakdown of our prepayments as of the dates indicated:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Prepayments for goods and services	95,296	139,219	233,834

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for purchase of property, equipment and intangible assets	63,009	24,460	145,002
Prepayments for services	9,900	9,900	34,954
	168,205	**173,579**	**413,790**

The current portion of our prepayments increased from RMB95.3 million as of December 31, 2021 to RMB139.2 million as of December 31, 2022, primarily in relation to our prepayments for network resources for our city management and administration projects. Specifically, city management and administration projects usually involve the establishment of an intelligent town cluster where the infrastructure, administration, and various businesses of hundreds of towns are being unified and integrated into one cloud-based platform, which necessitates the use of network resources as fundamental resources for enterprise-level participants in city management and administration projects. As such, we entered into a long-term procurement agreement on such network resources with a major telecommunications company in China. Pursuant to the agreement, we are obligated to make payment by 19 installments from 2018 to 2026. For details of the procurement agreement and our payment obligations thereunder, see "Business – Suppliers and Procurement – Top Suppliers" in this prospectus. The current portion of our prepayments further increased from RMB139.2 million as of December 31, 2022 to RMB233.8 million as of December 31, 2023, which reflected the balance of prepayments primarily related to (i) procurement of hardware components for continuously offering software plus hardware solutions; and (ii) our research and development programs, in addition to that in relation to the aforementioned network resources for our city management and administration projects. Specifically, driven by our rapid revenue growth, we expanded our offerings of software plus hardware solutions, which required us to procure a greater volume of hardware primarily including communication devices, servers and computers. Furthermore, we continuously outsourced from third-party technology service providers certain research and development programs, primarily in relation to data training and AI algorithm optimization, which was in line with the increased demand for our solutions and thus the greater data volume involved. For details of the major technology services so procured and the research and development expenses attributable thereto in 2023, see "– Description of Selected Components of Consolidated Statements of Profit or Loss – Research and Development Expenses" in this section. Such prepayments are expected to be gradually recognized as cost of revenue in the course of our offering the software plus hardware solutions or expensed once the relevant services are provided. The non-current portion of our prepayments decreased from RMB72.9 million as of December 31, 2021 to RMB34.4 million as of December 31, 2022, which reflected our suppliers' continuous performance of their obligations in delivering to us the prepaid property, equipment and intangible assets mainly in relation to the construction and operation of our AI empowerment computing center, and our settlement therewith. The non-current portion of our prepayments increased significantly from RMB34.4 million as of December 31, 2022 to RMB180.0 million as of December 31, 2023, which reflected the balance of prepayments primarily related to that for property, equipment and intangible assets associated with the construction and operation of our AI empowerment computing center, as well as ICVs needed for our solutions in automotive and transportation as we have increasingly penetrated into V2X scenario, such as in Mianyang, Sichuan.

As of the Latest Practicable Date, RMB138.6 million, accounting for approximately 59.3% of the current portion of our prepayments as of December 31, 2023, had been subsequently settled.

Inventories and Other Contract Costs

During the Track Record Period, our inventories primarily included communication devices, servers and computers, and perception equipment and accessories that were or are to be integrated into our solutions. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Communication devices	74,529	55,246	–
Servers and computers	37,306	30,742	593
Perception equipment and accessories	–	8,134	5,561
Others	640	1,147	36
Other contract cost	–	–	1,463
	112,475	**95,269**	**7,653**

Our inventories and other contract costs decreased from RMB112.5 million as of December 31, 2021 to RMB95.3 million as of December 31, 2022, and further to RMB7.7 million as of December 31, 2023, which mainly reflected the continuous integration of the hardware components anticipatorily prepared in 2021 into our solutions.

The table below sets forth our inventories turnover days for the years indicated:

	Year Ended December 31,		
	2021	**2022**	**2023**
Inventories turnover days*	128	121	62

Note:

* Inventories turnover days for a year is the arithmetic mean of the beginning and ending balances of inventories for the relevant year divided by the sum of cost of sales for the relevant year divided by 365 for 2021, 2022 and 2023.

The fluctuation of our inventories turnover days during the Track Record Period was in line with the fluctuation of our inventories as of the end of each reporting year. Our inventories turnover days decreased from 128 days for 2021 to 121 days for 2022, which mainly reflected the continuous integration of the hardware components anticipatorily prepared in 2021 into our solutions. Our inventories turnover days decreased from 121 days for 2022 to 62 days for 2023, reflecting the decreased balance of our inventories as of December 31, 2023 in comparison with December 31, 2021.

We expect that we will maintain a stable and optimal level of inventories going forward. Our Directors confirmed that we had not experienced any material recoverability issues for our inventories during the Track Record Period as all inventories are expected to be recovered within one year. We do not anticipate to have any material recoverability issues for our inventories in the foreseeable future, given that (i) the accumulation of our inventories are well backed by pre-existing orders made from our customers and thus their sufficient demand that have constantly driven our increased sales performance in line with our business growth, and will be recognized as cost of revenue per the satisfaction of our related performance obligations; (ii) we had not encountered any material impairment loss that have materially and adversely affected our business operations caused by slow-moving inventories during the Track Record Period; (iii) to the best knowledge of our Directors, our quality customer base maintains healthy financial conditions in general; (iv) our inventories are predominantly electronics or network resources that are generally not perishable in nature and can maintain marketable value with relatively long life cycle; and (v) our management is of the view that the risk of failure to satisfy our related performance obligations is remote considering that our business operation and financial conditions are healthy. Our Directors believe that our inventories will be utilized in due course in the course of our business growth and the continuously increasing demand for our software plus hardware solutions. Besides, we have taken effective inventory management measures, including closely monitor our inventory level and performing inventory count and physical inspection periodically, and will from time to time review and make sufficient provisions if needed.

The table below sets forth an ageing analysis of our inventories by category as of December 31, 2023:

	Communication devices	Servers and computers	Perception equipment and accessories	Others	Subtotal
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 year	–	593	5,561	36	6,190

As of the Latest Practicable Date, RMB6.0 million, accounting for approximately 97.0% of our inventories as of December 31, 2023, had been subsequently utilized.

Trade and Other Receivables

During the Track Record Period, our trade and other receivables primarily consisted of trade receivables, bills receivables and other receivables mainly including value added tax (VAT) recoverable, taxation recoverable and other deposit and receivable. Our trade and other receivables increased from RMB242.8 million as of December 31, 2021 to RMB339.7 million as of December 31, 2022, and further to RMB602.7 million as of December 31, 2023. The following table sets forth a breakdown of our trade and other receivables as of the dates indicated:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	248,068	379,103	704,682
Less: loss allowance on trade receivables	(32,368)	(66,479)	(121,858)
Net trade receivables	215,700	312,624	582,824
Bills receivables	10,500	–	–
VAT recoverable	9,296	16,661	13,430
Taxation recoverable	1,104	8,896	650
Capitalization of listing expenses	–	–	3,564
Other deposit and receivable	6,212	1,493	2,237
	242,812	**339,674**	**602,705**

Trade Receivables

During the Track Record Period, our trade receivables consisted primarily of outstanding fees due from customers in connection with the transactions with respect to our solutions. During the Track Record Period, our trade receivables continued to increase, which was generally driven by the overall growth in the revenue generated from our solutions. As of December 31, 2021, 2022 and 2023, our net trade receivables amounted to RMB215.7 million, RMB312.6 million and RMB582.8 million, respectively. Our loss allowance on trade receivables increased during the Track Record Period driven by the increase of our trade receivables balance, which was in line with our business growth. We measure our loss allowance on trade receivables at lifetime expected credit losses, which are determined based upon our historical credit loss experience with reference to all reasonable and substantial information, including forward-looking information, historical migration rates, judgments on future recovery risk and a characteristic analysis of credit risk. As our historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among our different customer bases. During the Track Record Period, the provision ratios for bad and doubtful debts across different ageing ranges of our trade receivables past due did not change materially. As of December 31, 2021, 2022 and 2023, we recorded loss allowance on trade receivables of RMB32.4 million, RMB66.5 million and RMB121.9 million, accounting for approximately 13.0%, 17.5% and 17.3% of our trade receivables as of the same dates, respectively. Our Directors confirmed that our credit policies in relation to our customers remained the same. The table below sets forth a breakdown of our trade receivables as of December 31, 2023 with subsequent settlement as of the Latest Practicable Date by customer types:

	As of December 31, 2023	**Subsequent Settlement as of the Latest Practicable Date**	
	RMB'000	*RMB'000*	*% as of December 31, 2023*
Enterprise-level solutions			
– *System integrators*	569,557	146,227	25.7
– *Enterprise-level users*	132,259	38,638	29.2
Others	2,866	2,331	81.3
Total	704,682	187,196	26.6

The table below sets forth our trade receivables turnover days for the years indicated:

	Years Ended December 31,		
	2021	2022	2023
Trade receivables turnover days*	137	222	243

Note:

* Trade receivables turnover days for a year is the arithmetic mean of the beginning and ending balances of trade receivables for the relevant year divided by the revenue for the relevant year divided by 365 for each of 2021, 2022 and 2023.

Our trade receivables turnover days were relatively lengthy during the Track Record Period, which was primarily due to the fact that our solutions had been increasingly offered via large-scale projects to end customers from the public sector that features solid credit status yet a long payment cycle with respect to such projects because of their internal financial management and payment approval processes. Also, it is market practice that end users in China's enterprise-level conversational AI solution market tend to settle payments with their conversational AI solution suppliers and/or the system integrators involved typically only after a relatively substantial period of time subsequent to delivery and acceptance of the projects, according to the iResearch Report. According to the same source, the settlement cycle of our customers is in line with industry average.

Furthermore, we generated a significant percentage of revenue from offering our solutions to system integrators that embedded our solutions into their offerings to enterprise-level users during the Track Record Period. There is not any contractual term under our agreements with the system integrators providing that they would only settle with us after receiving payment from their end customers or otherwise establishing a direct correlation or dependency between the two payment streams. Rather, we have the absolute entitlement to payment from the system integrators within the agree-upon payment terms and conditions once we recognize revenue upon acceptance thereby. Yet still, the pace at which the system integrators settle with us could be factually contingent upon the timing of when they receive payments from their end customers as a matter of commercial consideration and market practice driven by the cash flow dynamics and operational realities within the value chain. Since system integrators normally have significant upfront costs associated with integrating, customizing and deploying their offerings to their end customers, their ability and tendency to settle timely with their upstream suppliers like us could be impacted by their receipt of payments from their end customers, which is in line with common practice in the industry. For details of our measures to manage such impact on collection of our trade receivables, see "Business – Customers and Customer Support" in this prospectus.

The table below sets forth a breakdown of our trade receivables by end-customer industries as of the dates indicated with subsequent settlement of balance of December 31, 2023 as of the Latest Practicable Date:

	As of December 31,			Subsequent Settlement of Balance of December 31, 2023 as of the Latest Practicable Date	
	2021	2022	2023		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*% as of December 31, 2023*
City management and administration	29,336	67,057	198,083	43,024	21.7
Automotive and transportation	20,632	27,167	112,272	29,695	26.4
Telecommunications	34,485	82,558	193,560	54,677	28.2
Finance	103,532	124,019	125,128	21,178	16.9

The table sets forth our trade receivables turnover days by end-customer industries for the years indicated:

	Years Ended December 31,		
	2021	**2022**	**2023**
Trade receivables turnover days*			
Enterprise-level solutions			
– City Management and Administration	42	92	151
– Automotive and Transportation	80	105	133
– Telecommunications	180	233	290
– Finance	248	521	538

Note:

* Trade receivables turnover days for a year is the arithmetic mean of the beginning and ending balances of trade receivables for the relevant year divided by the revenue for the relevant year divided by 365 for each of 2021, 2022 and 2023.

During the Track Record Period, our trade receivables turnover days for each of our four key end-customer industries were influenced by whether we recognized revenue and thus recorded trade receivables over time or at a point in time upon a customer's acceptance of the projects. In line with our recognition of revenue over time in relation to the majority of our customers in city management and administration pursuant to our contractual arrangements therewith, such customers are more likely to settle with us periodically, mainly due to which our trade receivables turnover days for city management and administration were relatively shorter during the Track Record Period. By contrast, our revenue for the other end-customer industries were recognized primarily at a point in time upon acceptance of the projects. Among these end-customer industries, our solutions in telecommunications industry and finance industry were primarily offered to enterprise-level users from the public sector, who tended to settle payments after a relatively long period of time subsequent to acceptance.

Our trade receivables turnover days increased substantially from 137 days in 2021 to 222 days in 2022, primarily because COVID-19 had in particular extended the period over which we used to collect our trade receivables. For instance, widespread lockdowns and business closures due to COVID-19 disrupted operations for many customers/enterprise-level users, leading to fluctuated financial performance and cash flow challenges that delayed their ability to pay outstanding balances on time. Also, absenteeism and remote work arrangements created operational hurdles for certain customers/enterprise-level users, which slowed down the approval processes for releasing payments.

Our trade receivables turnover days further increased from 222 days in 2022 to 243 days in 2023, primarily driven by our customers/enterprise-level users' adjustment of their internal policies for settling with their service providers in accordance with the macro-economic changes in the aftermath of the pandemic, which was in line with market practice according to the iResearch Report, and therefore slowed the pace at which the outstanding payments were being settled compared with previous years. Specifically, the macro-economic landscape experienced continuous disruptions over the past few years stemming from an intricate combination of factors. For instance, the pandemic triggered widespread lockdowns and restrictions, severely impacting supply chains, production and consumer spending across various industries. The post-COVID economic recovery was further complicated by heightened geopolitical tensions that led to trade disputes, export controls and retaliatory actions, introducing additional uncertainties and obstacles to global trade flows. The volatile and challenging market condition shaped by such combination of factors ranging from pandemic-induced operational constraints to geopolitical tensions straining supply chains and trade relationships has prompted enterprises and organizations across sectors to exercise caution in their financial management and payment cycles to grapple with cash flow pressures. Accordingly, our customers/enterprise-level users elected to adjust their internal policies as they navigated these unprecedented economic conditions. Because of the same reasons, as of the Latest Practicable Date, RMB187.2 million, accounting for approximately 26.6% of our trade receivables as of December 31, 2023, had been subsequently settled.

Notwithstanding the foregoing, our Directors are of the view that there is no material recoverability issue with our trade receivables, based upon the reasons set forth below:

- **Recent Regulatory Development on Clearing up Overdue Payments.** The PRC central authorities in recent months have placed a strong emphasis on tackling the issue of the public sector's overdue trade receivables owed to enterprises and urged concerted efforts from governmental bodies to proactively clear up trade balances payable to businesses. For instance, on September 20, 2023, the executive meeting of the State Council reviewed and approved the *Special Action Plan for Clearing Up Overdue Payments Owed to Enterprises* (《清理拖欠企業賬款專項行動方案》), and pointed out that, among others, provincial-level governments must take overall responsibility for clearing up overdue payments in their regions, with state-owned enterprises taking the lead in repayment, so as to ensure all eligible arrears are cleared. Moreover, the *Report on the Review Results of the Implementation of the 2023 Central and Local Budgets and the Draft 2024 Central and Local Budgets by the Fiscal and Economic Affairs Committee of the 14th National People's Congress* (《第十四屆全國人民代表大會財政經濟委員會關於2023年中央和地方預算執行情況與2024年中央和地方預算草案的審查結果報告》) issued on March 8, 2024 made the suggestions for implementing the 2024 budgets and fiscal work that governments' overdue payments owed to enterprises shall be cleared up proactively.

- **Our Internal Policies and Measures to Manage the Recovery of Our Trade Receivables.** We have adopted polices and measures to manage our credit risks and trade receivables. With respect to customer credit management, we have grouped customers into different credit risk levels and monitor such credit risk levels regularly. We grant credit terms to customers in accordance with the relevant designated credit risk levels. We normally grant our customers a credit term around six months. As to the customers with a relatively stronger credit record, we grant them a longer credit term around nine months. During the Track Record Period, we did not extend our credit terms to any of our customers.

  With respect to trade receivables management, we have taken active steps to mitigate our risk exposure to customers with potential prolonged delay settlement of trade receivables, and collect the outstanding trade receivables. For instance, we have allocated considerable human resources on trade receivable collection efforts in a collaborative manner, including dedicated internal teams responsible for continually monitoring the credit profiles and operating and financial conditions of our customers, as well as maintaining frequent communications with our customers to implement effective credit control and proactively following up with our customers to ensure their payments be made as scheduled. Specifically, our finance department prepares trade receivable summaries on a weekly basis according to the amount of revenue recognized and the amount of cash collection. These trade receivable summaries are allocated to assigned personnel to follow up, who reconcile the outstanding trade receivables with our customers on a monthly basis. If a customer's payment is overdue, our finance department will promptly provide trade receivable details to assist the assigned personnel in the collection of the same according to customized collection strategies formulated based upon the customer's balance of trade receivables and the specific ageing situations, which will be overseen and supervised by our general manager and head of our sales department. Through frequent and good faith communication with the customer via multiple channels including phone calls and WeChat, we examine in details the reasons for its failure to make timely payment, and request it to pay as soon as possible in an monitored manner. In doing so, we strive to balance between maintaining steady customer relationships and trade receivables collection, so as to ensure our current stable operations while laying the foundation for future offering prospects. We also include the collection results of overdue payments as a performance indicator of such assigned personnel, with a view to encouraging them to achieve improved work performance. The effectiveness of the abovementioned measures has been particularly demonstrated by the fact that approximately RMB259.5 million, accounting for approximately 68.4% of our trade receivables as of December 31, 2022 had been subsequently settled as of the Latest Practicable Date. We also have policies in place to ensure that trade receivables are made to the customers with an appropriate credit history, and our management performs ongoing credit evaluations. These evaluations focus on the customer's past history of making payments when due and current ability to pay, taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

- **Solid Credit History of Our Customers and Our Stable Relationship Therewith.** During the Track Record Period, a significant portion of our solutions were offered to the public sector, and we had been expanding our business in the public sector. Enterprise-level users from the public sector, mainly including governmental entities, public institutions and state-owned enterprises, are characterized by strong financial backing and low default risks. With respect to our private-sector customer base, we prioritize conducting business with reputable and financially viable enterprise-level users, or the system integrators serving the same. Our stringent customer selection process and due diligence measures help ensure that we mainly engage with well-established companies demonstrating solid financial standing and creditworthiness, as evidenced by their industry leading position in the respective industry based on their commercial success, societal recognition or market occupation rate. The good credit history of our customers and our stable relationship with them thus contribute to the relatively long credit term to them, and we believe that the credit risk inherent in our outstanding trade receivable balances due from them is low. As we regularly assess our customers' credit quality carefully, taking into account their business background, the general risks associated with their industries, their financial position, past experience and other factors, we were not aware of any significant changes in their credit status during the Track Record Period. Moreover, we did not have any material disagreement or disputes with our customers on trade receivables during the Track Record Period.

- **Sufficient Loss Allowance Made on Trade Receivables.** Our Directors confirm that sufficient loss allowance has been made on our trade receivables during the Track Record Period, as we prudently conduct periodic assessment to closely monitor our credit exposure and identify significant increases in credit risks, and, where applicable, make timely provision for expected credit losses. The provision ratios have been determined based upon our historical collection of payments and future recoverability. Specifically, we performed an impairment assessment at the end of each of the year within the Track Record Period, with loss allowance on trade receivables always measured at an amount equal to lifetime expected credit losses ("**ECLs**"). When measuring ECLs, we consider reasonable and supportable information that is relevant and available without undue cost or effort, including both quantitative and qualitative information and analysis based on the our historical experience and informed credit assessment that includes forward-looking information. In particular, we estimate ECLs based on historical credit loss experience, the past default experience of the debtor, general economic conditions of the industry and country in which the debtors operates, and assess both the current and the forecast duration of condition as of December 31, 2021, 2022 and 2023. Moreover, 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, taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Last but not least, we base the expected loss rates on actual loss experience over the past four years, which are adjusted to reflect differences in economic conditions during the period over which the historical data has been collected, current conditions and our view of economic conditions over expected lives of the receivables. For details of our credit risk exposures and the expected loss rates of our trade receivables, see Note 30 to the Accountants' Report in Appendix I to this prospectus. Based upon the foregoing, sufficient provisions have been proactively made on our trade receivables, which ensures that our financial condition accurately reflects the potential impact of the extended collection periods and provides a realistic assessment of our receivables position. While the timing of our receivables collection admittedly faces the temporary challenge influenced by the external factors and extraordinary circumstances noted above, our Directors are of the view that there is no material recoverability issue with our net balance of trade receivables, considering the provisions already made.

An ageing analysis of our trade receivables and bills receivables as of the dates indicated, based on the invoice date and net of loss allowance with subsequent settlement of balance of December 31, 2023 as of the Latest Practicable Date, is as follows:

	As of December 31,			**Subsequent Settlement of Balance of December 31, 2023 as of the Latest Practicable Date**	
	2021	**2022**	**2023**		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*% as of December 31, 2023*
Within 1 year	220,157	236,186	505,107	122,296	24.2
After 1 year but within 2 years	3,199	74,653	72,420	59,603	82.3
After 2 years but within 3 years	2,600	1,737	5,297	5,297	100.0
Over 3 years	244	48	–	–	–
	226,200	**312,624**	**582,824**	**187,196**	**32.1**

Our Directors are of the view that there is no material recoverability issue for our trade receivables aged over one year, considering: (i) we have made the aforementioned progress in collecting outstanding trade receivables; (ii) our customers generally have good credit standing and debt repayment ability, especially considering that our trade receivables aged over one year are primarily due from customers from the public sector, to whom we generally grant a credit term around nine months. Being state-backed, such enterprise-level users as telecommunications companies and financial institutions, though have relatively long payment cycles, are well supported with reliable funding sources and good credit status; (iii) with our periodic assessment of our customers' credit quality, we were not aware of any significant changes in their credit status during the Track Record Period; (iv) we did not have any material disagreement or disputes with our customers on trade receivables during the Track Record Period; (v) we have taken stringent internal measures to enhance the management and collection of trade receivables. For details of our polices and measures to manage our credit risks and trade receivables, see "– Trade and Other Receivables" in this section; and (vi) there have been few cases where we were unable to collect our trade receivables historically. In general, we do not anticipate to have any material recoverability issue with our trade receivables. For details thereon as well as the active steps that we have taken to mitigate the risk exposure, see "– Trade and Other Receivables" in this section.

An ageing analysis of our trade receivables and bills receivables as of the dates indicated, by due date with subsequent settlement of balance of December 31, 2023 as of the Latest Practicable Date, is as follows:

	As of December 31,			**Subsequent Settlement of Balance of December 31, 2023 as of the Latest Practicable Date**	
	2021	**2022**	**2023**		
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*% as of December 31, 2023*
Current (not past due)	220,356	221,075	491,480	102,921	20.9
Less than 12 months past due	27,773	137,776	177,186	64,585	36.5
More than 12 months but less than 24 months past due	7,760	18,359	33,882	18,075	53.3
More than 24 months but less than 36 months past due	1,563	1,755	1,996	1,615	80.9
More than 36 months past due	1,116	138	138	–	–
	258,568	**379,103**	**704,682**	**187,196**	**26.6**

The increase of the balance of our trade receivables and bills receivables in the less than 12 months past due portion from December 31, 2021 to December 31, 2022 was mainly due to lower recovery rate during 2022 caused by the impact of COVID-19. The increase of the balance of our trade receivables in the current and less than 12 months past due portion from December 31, 2022 to December 31, 2023 was primarily a result of our newly recognized revenue in 2023.

Bills and Other Receivables

During the Track Record Period, our bills receivables primarily represented short-term commercial acceptance bills receivables entitling us to receive the full face amount from the banks at maturity, which generally ranged from 6 to 12 months from the date of issuance. Our bills receivable decreased from RMB10.5 million as of December 31, 2021 to nil as of December 31, 2022 and December 31, 2023, primarily due to our decreased acceptance of bills receivables for settlement by our customers.

During the Track Record Period, our other receivables primarily consisted of VAT recoverable, taxation recoverable and other deposit and receivable. Our other receivables increased from RMB16.6 million as of December 31, 2021 to RMB27.1 million as of December 31, 2022, primarily due to the continuous increases in VAT recoverable and taxation recoverable. Our other receivables decreased from RMB27.1 million as of December 31, 2022 to RMB19.9 million as of December 31, 2023, primarily due to a decrease in VAT recoverable and taxation recoverable.

As of the Latest Practicable Date, RMB10.8 million, accounting for approximately 54.4% of our bills and other receivables as of December 31, 2023, had been subsequently settled.

Cash

During the Track Record Period, our cash represented our cash at bank. Our cash increased from RMB10.6 million as of December 31, 2021 to RMB20.4 million as of December 31, 2022, and further to RMB46.9 million as of December 31, 2023, primarily due to an increase in cash inflows generated from principals from bank borrowings and capital contributions from our shareholders. For details of the analysis on cash flows during the Track Record Period, see "– Liquidity and Capital Resources – Cash Flows" in this section.

Trade and Other Payables

During the Track Record Period, our trade and other payables primarily consisted of trade payables and other payables mainly related to accrued payroll and benefits, loans from related parties, capital contribution from an investor, consideration payable for Jinxun Digital Intelligence acquisition, payable for acquisition of property and equipment, payable for acquisition of service, and accrual listing expenses. Our trade and other payables increased from RMB46.5 million as of December 31, 2021 to RMB59.4 million as of December 31, 2022. Our trade and other payables decreased from RMB59.4 million as of December 31, 2022 to RMB43.4 million as of December 31, 2023. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Payable for acquisition of property and equipment	15,152	7,148	6,557
Payable for acquisition of service	11,000	11,303	213
Accrual listing expenses	–	4,400	5,829
Deposits received	60	61	60
Other payables and accrual expenses	2,943	1,781	1,155
Trade payables	6,635	3,306	14,402
Accrued payroll and benefits	4,421	6,607	8,493
Other taxes payable	958	1,777	3,680
Loans from related parties	5,349	–	–
Capital contribution from an investor	–	16,755	–
Consideration payable for Jinxun Digital Intelligence acquisition	–	6,295	3,000
	46,518	**59,433**	**43,389**

Trade Payables

During the Track Record Period, our trade payables represented balances due to our suppliers for hardware and services. We settle the trade payables according to the credit terms offered by the suppliers, and the balances of our trade payables would depend upon (i) the time at which the products or services are delivered or performed; (ii) the settlement date; and (iii) the amount of purchase. As a result, our trade payables decreased from RMB6.6 million as of December 31, 2021 to RMB3.3 million as of December 31, 2022, and then increased to RMB14.4 million as of December 31, 2023.

The table below sets forth our trade payables turnover days for the years indicated:

	Years Ended December 31,		
	2021	**2022**	**2023**
Trade payables turnover days*	6	6	7

Note:

* Trade payables turnover days for a year is the arithmetic mean of the beginning and ending balances of trade payables for the relevant year divided by the cost of revenue for the relevant year divided by 365 for each of 2021, 2022 and 2023.

During the Track Record Period, our trade payables turnover days remained stable at 6 days, 6 days and 7 days in 2021, 2022 and 2023, respectively. During the Track Record Period, our trade payables turnover days were relatively short, especially in comparison with our trade receivables turnover days, which was mainly due to the fact that we paid our major suppliers in the form of prepayment and settled with them on a delivery upon receipt of payment basis, as a way to maintain stable relationship therewith and also to get favorable procurement prices, considering our stable liquidity and working capital position. According to the iResearch Report, it is in line with industry norm to make such prepayment to suppliers, while the trade payables turnover days of different companies can vary considerably because of the specific types of projects carried out.

An ageing analysis of our trade payables as of the dates indicated, based on the invoice date, is as follows:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	5,697	674	13,806
After 6 months but within 1 year	5	552	477
Over 1 year	933	2,080	119
	6,635	**3,306**	**14,402**

As of the Latest Practicable Date, RMB13.3 million, accounting for approximately 92.4% of our trade payables as of December 31, 2023, had been subsequently settled.

Other Payables

During the Track Record Period, our other payables primarily consisted of accrued payroll and benefits, capital contribution from an investor representing amount received therefrom for which the financing had not been completed as of December 31, 2022 and thus accrued as liabilities, consideration payable for Jinxun Digital Intelligence acquisition, payable for acquisition of property and equipment, payable for acquisition of service, and accrual listing expenses. Our other payables increased from RMB39.9 million as of December 31, 2021 to RMB56.1 million as of December 31, 2022, primarily due to payables in relation to our reception of the aforementioned capital contribution from an investor. Our other payables decreased from RMB56.1 million as of December 31, 2022 to RMB29.0 million as of December 31, 2023, primarily due to the decrease of the aforementioned payable for acquisition of service and capital contribution from an investor from RMB11.3 million and RMB16.8 million as of December 31, 2022, respectively, to RMB0.2 million and nil as of December 31, 2023, respectively, offsetting the increase in accrual listing expenses mainly related to the Listing and the Global Offering.

As of the Latest Practicable Date, RMB18.3 million, accounting for approximately 63.3% of our other payables as of December 31, 2023, had been subsequently settled.

Contract Liabilities

Our contract liabilities mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided. Our contract liabilities increased significantly from RMB26.7 million as of December 31, 2021 to RMB31.1 million as of December 31, 2022, and further to RMB97.4 million as of December 31, 2023, which was in line with the expansion of our solution offerings and demonstrated our strengthened relationship with our major customers. For details, see Note 23 to the Accountants' Report in Appendix I to this prospectus.

As of the Latest Practicable Date, RMB55.2 million, accounting for approximately 56.6% of our contract liabilities as of December 31, 2023, had been subsequently recognized as revenue.

Redeemable Capital Contributions

During the Track Record Period, the redeemable capital contributions were primarily related to the equity investments made by the relevant investors, including Series A Financing in 2020, Series B Financing in 2021, Series B+ Financing in 2022 and Series C Financing in 2023. For details of our financing, see "History, Development and Corporate Structure – Corporate Development" in this prospectus. Due to the redemption rights and liquidation preferences in relation to such equity investments, we recognized the aforementioned financial instruments issued to the relevant investors as financial liabilities. We expect to substantially improve our net position and net current position upon completion of the Listing and the Global Offering, as carrying amount of such redeemable capital contributions will be reclassified from financial liabilities to equity as a result of the termination of the aforesaid preferred rights. Any changes in the carrying amount of the financial liabilities were recorded in "changes in carrying amount of redeemable capital contributions". The redeemable capital contributions increased significantly from RMB265.7 million as of December 31, 2021 to RMB528.0 million as of December 31, 2022, and further to RMB852.9 million as of December 31, 2023, primarily due to the continuous increase in carrying amount from the existing series of financing recognized and/or redeemable capital contributions arising from subsequent series. For details of the redeemable capital contributions, see Note 26 to the Accountants' Report in Appendix I to this prospectus.

The following table sets forth movement of the redeemable capital contributions:

	As of December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
At beginning of the year	99,316	265,666	527,970
Changes in carrying amount of redeemable capital contributions	25,950	157,504	146,892
Issuance for cash	140,400	104,800	178,050
At ending of the year	**265,666**	**527,970**	**852,912**

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Year Ended December 31,		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Cash generated from operations before movements in working capital	99,664	127,678	215,526
Changes in working capital	(158,414)	(150,912)	(282,141)
Tax paid	(16,328)	(7,880)	(1,454)
Net cash used in operating activities	(75,078)	(31,114)	(68,069)
Net cash used in investing activities	(108,142)	(140,677)	(184,386)
Net cash generated from financing activities	186,719	181,584	278,897
Net increase in cash	3,499	9,793	26,442
Cash at beginning of the year	7,142	10,641	20,434
Cash at end of the year	**10,641**	**20,434**	**46,876**

Net Cash Used in Operating Activities

In 2023, our net cash used in operating activities was RMB68.1 million, which was primarily attributable to our loss before taxation of RMB28.8 million, adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily included (i) changes in the carrying amount of redeemable capital contributions of RMB146.9 million; (ii) impairment loss on trade receivables of RMB55.4 million; and (iii) amortization of RMB24.6 million. The amount was then adjusted by changes in working capital, with negative adjustments primarily including (i) an increase in prepayments of RMB116.1 million; and (ii) an increase in trade and other receivables of RMB323.1 million.

In 2022, our net cash used in operating activities was RMB31.1 million, which was primarily attributable to our loss before taxation of RMB90.9 million, adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily included (i) changes in the carrying amount of redeemable capital contributions of RMB157.5 million; (ii) impairment loss on trade receivables of RMB42.6 million; (iii) amortization of RMB14.1 million; and (iv) finance costs of RMB9.1 million. The amount was then adjusted by changes in working capital, with negative adjustments primarily including (i) an increase in trade and other receivables of RMB131.6 million; and (ii) an increase in prepayments of RMB43.9 million.

In 2021, our net cash used in operating activities was RMB75.1 million, which was primarily attributable to our profit before taxation of RMB44.4 million, adjusted for non-cash and non-operating items. Positive adjustments for non-cash and non-operating items primarily included (i) changes in the carrying amount of redeemable capital contributions of RMB26.0 million; (ii) impairment loss on trade receivables of RMB17.4 million; and (iii) finance costs of RMB8.2 million. The amount was then adjusted by changes in working capital, with negative adjustments primarily including (i) an increase in trade and other receivables of RMB155.6 million; and (ii) an increase in prepayments of RMB24.9 million.

For details of our increasing trade receivables during the Track Record Period and the impairment loss made thereon, see "– Discussion on Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this section.

We plan to enhance our working capital management efficiency to improve our net operating cash outflow position. For instance, we expect to collect our trade receivables in a more efficient manner and have implemented relevant measures, such as by continually monitoring the credit profiles and operating and financial conditions of our customers, and proactively following up on our customers to ensure their payments as scheduled. For details of our policies and measures to manage our trade receivables, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this section. In addition, as we continuously build trust with our customers and gain more bargaining power through our business growth, we are able to negotiate for shorter credit terms with our customers. In the future, we plan to develop relationships with more customers of stronger credit profiles. Besides, we also expect to be able to gradually enjoy economics of scale in the course of our business expansion, which will further improve our net operating cash outflow position. Specifically, as we scale up, we expect to have stronger bargaining power against our suppliers and are thus able to obtain more favorable credit terms. Furthermore, We expect to improve our margin level over time as we drive operational efficiencies, so as to achieve significant economies of scale that will contribute to enhanced operating cash flows.

Net Cash Used in Investing Activities

In 2023, our net cash used in investing activities was RMB184.4 million, primarily as a result of (i) payment for the acquisition of property and equipment of RMB151.1 million; and (ii) payment for the acquisition of intangible assets of RMB31.8 million.

In 2022, our net cash used in investing activities was RMB140.7 million, primarily as a result of (i) payment for the acquisition of intangible assets of RMB102.6 million; (ii) payment for the acquisition of property and equipment of RMB19.8 million; and (iii) acquisition of subsidiary, net of cash acquired of RMB16.8 million.

In 2021, our net cash used in investing activities was RMB108.1 million, primarily as a result of (i) payment for the acquisition of property and equipment of RMB56.6 million; (ii) acquisition of a subsidiary, net of cash acquired of RMB20.4 million; and (iii) payment for investment in financial assets measured at fair value through profit or loss of RMB20.0 million.

Net Cash Generated from Financing Activities

In 2023, our net cash generated from financing activities was RMB278.9 million, primarily as a result of (i) proceeds from bank loans and other borrowings of RMB312.0 million; and (ii) proceeds from redeemable capital contributions of RMB161.3 million, partially offset by repayment of bank loans and other borrowings of RMB181.7 million.

In 2022, our net cash generated from financing activities was RMB181.6 million, primarily as a result of (i) proceeds from bank loans and other borrowings of RMB193.7 million; and (ii) proceeds from redeemable capital contributions of RMB104.8 million, partially offset by repayment of bank loans and other borrowings of RMB122.7 million.

In 2021, our net cash generated from financing activities was RMB186.7 million, primarily as a result of (i) proceeds from bank loans and other borrowings of RMB147.2 million; and (ii) proceeds from redeemable capital contributions of RMB140.4 million, partially offset by repayment of bank loans and other borrowings of RMB94.5 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we financed our operations primarily through cash generated from our operating activities and bank borrowings as our principal sources of funding, and our primary uses of cash were to fund our capital expenditures and working capital. Going forward, we believe that our liquidity requirements will be satisfied with a combination of cash flows generated from our operating activities and net proceeds from the Global Offering. As of December 31, 2023, we had cash of RMB46.9 million.

Sufficient working capital is essential to our ability to successfully execute our growth strategies, and thus to enhance our business sustainability. To ensure working capital sufficiency, we plan to enhance our working capital management efficiency, improve our management of trade receivables and increase the focus on trade receivable collection, as well as to maintain appropriate inventory and prepayment levels in relation to the required procurement for offering software plus hardware solutions that meet the market demand. Our Directors will continue to closely monitor the capital and liquidity requirements and ensure the sufficiency of our working capital. Specifically, we have adopted the following measures to manage our working capital and improve liquidity, including that: (i) we will prepare periodical working capital forecasts in a timely manner that shall set out the expected cash inflows and outflows on a monthly basis which our Directors will review together with cash flow statements to enable us to better manage our liquidity resources in the near term; (ii) we will prepare monthly management accounts in a timely manner, which will be reviewed by our Directors and senior management and compared with our budgets. Any material variances will be explained and followed up immediately; (iii) we will continue to actively monitor the payment status of projects and customers, including conducting regular reviews of the relevant accounts. Our finance department will also prepare an ageing analysis on a monthly basis for the review by our Directors to ascertain if there are any long outstanding receivables; and (iv) we will continue to closely monitor our cash and bank balance through constantly reviewing our internal records and bank accounts. When any potential shortfall in our cash position is identified, we will strive to negotiate for earlier settlement with our customers and/or request a longer credit period from our suppliers in order to mitigate the cash flow mismatch. If required, we may also obtain short-term bank borrowings to fund our capital needs. For details of our policies and measures to manage our trade receivables, see "– Discussion of Selected Items from Consolidated Statements of Financial Position – Trade and Other Receivables – Trade Receivables" in this section.

Taking into account the financial resources available to us, including cash flow from operating activities, our current cash, proceeds from the Pre-IPO Investments and the estimated net proceeds from the Global Offering, our Directors are of the view that we have available sufficient working capital to meet our present requirements, which is for at least the next 12 months from the date of this prospectus. Our relatively long trade receivables turnover days during the Track Record Period admittedly expose us to liquidity risk. Such risk would especially be more pronounced if the financial condition of enterprises or entities from the public sector, to whom our solutions were substantially offered during the Track Record Period, would deteriorate in the case of a combination of factors such as local governments' significant debt obligations and diminished tax and other revenues, as well as uncertain availability of financing vehicles therefor. If such factors would ever and indeed materialize, a double squeeze of much higher write-off of trade receivables and slower cash inflows could quickly and significantly strain our working capital in the short term, which might bring various challenges to our business operations, including: (i) sizeable cash flow gaps that might necessitate expensive bridge financing; (ii) cost overruns on existing projects and inability to fund upfront costs of implementing new projects; (iii) workforce shrinkage impacting our service capabilities; (iv) defaults in debt repayments and inability to obtain new borrowings; and (v) loss of credibility with customers, suppliers, lenders and other partners in a vicious cycle that would ultimately threaten our solvency. For details, see "Risk Factors – Key Risks Relating to Our Business, Industry, Regulatory Compliance, General Operations and Financial Prospects – We are subject to credit risk related to defaults of customers as our trade receivables balance and trade receivables turnover days increased significantly during the Track Record Period, and any significant delay in payment or default on our trade receivables could materially and adversely affect our liquidity, working capital, financial condition and results of operations" in this prospectus.

INDEBTEDNESS

During the Track Record Period, our indebtedness mainly included bank loans and other borrowings, lease liabilities, redeemable capital contributions, and loans from related parties. The following table sets forth the components of our indebtedness as of the dates indicated:

	As of December 31,			As of April 30,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* (*Unaudited*)
Current				
Bank loans and other borrowings	150,663	211,650	342,000	434,840
Lease liabilities	2,302	4,128	8,115	9,189
Redeemable capital contributions	265,666	527,970	852,912	885,115
Loans from related parties	5,349	–	–	–
Non-current				
Bank loans and other borrowings	–	10,000	10,000	10,000
Lease liabilities	6,614	8,589	10,684	8,456
	430,594	**762,337**	**1,223,711**	**1,347,600**

Loans From Related Parties

For details of our loans from related parties, see "Discussion of Selected Items From Consolidated Statements of Financial Position – Trade and Other Payables" in this section.

Bank Loans and Other Borrowings

We had bank loans and other borrowings of RMB150.7 million as of December 31, 2021, RMB221.7 million as of December 31, 2022, RMB352.0 million as of December 31, 2023 and RMB444.8 million as of April 30, 2024, being the indebtedness date for the purpose of the indebtedness statement. Based on the rapid growth in demand in our solutions and our increased operating scale, we proactively sought funding resources and incurred an increasing amount of bank loans and other borrowings during the Track Record Period, primarily to finance our working capital requirements and capital expenditures to meet the potential growth in demand and to expand our business. As of April 30, 2024, our unutilized bank facilities amounted to RMB1.2 million. The following table sets forth our bank loans and other borrowings as of the dates indicated:

	As of December 31,			As of April 30,
	2021	**2022**	**2023**	**2024**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Current				
Bank loans				
– Unsecured and unguaranteed	10,000	10,000	30,000	40,000
– Secured and guaranteed*	118,000	201,650	312,000	394,840
– Pledged and unguaranteed	10,500	–	–	–
	138,500	211,650	342,000	434,840
Other borrowings				
– Secured and guaranteed	3,063	–	–	–
– Pledged and guaranteed	9,100	–	–	–
	12,163	–	–	–
	150,663	211,650	342,000	434,840

	As of December 31,			As of April 30,
	2021	2022	2023	2024
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(Unaudited)*
Non-current				
Bank loans				
– Secured and guaranteed*	–	10,000	10,000	10,000
	–	10,000	10,000	10,000
Total	**150,663**	**221,650**	**352,000**	**444,840**

Note:

* The outstanding guarantee of bank loans will be released before the Listing.

Our bank borrowings agreements contain standard terms, conditions and covenants that are customary for commercial bank loans. Our Directors confirmed that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenant that would have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirmed that we had no defaults in bank and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Our Directors further confirmed that during the Track Record Period and up to the Latest Practicable Date, we did not experience any material difficulties in obtaining credit facilities, withdrawal of facilities or requests for early repayment. For details, see Note 24 to the Accountants' Report in Appendix I to this prospectus.

Lease Liabilities

As of December 31, 2021, 2022 and 2023 and April 30, 2024, we recorded lease liabilities of RMB8.9 million, RMB12.7 million, RMB18.8 million and RMB17.6 million, respectively, which was primarily in relation to the properties we leased for our operation premises. For details, see Note 25 to the Accountants' Report in Appendix I to this prospectus.

Redeemable Capital Contributions

For details of our redeemable capital contributions, see "Discussion of Selected Items From Consolidated Statements of Financial Position – Redeemable Capital Contributions" in this section.

Except as disclosed above, 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), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of April 30, 2024. Since April 30, 2024 and up to the Latest Practicable Date, there had not been any material change to our indebtedness.

CAPITAL EXPENDITURE

We regularly incur capital expenditures to purchase our property and equipment, as well as intangible assets, in order to enhance our research and development and commercialization capabilities, and expand our business operations. The following table sets forth our capital expenditure for the years indicated:

	Year Ended December 31,		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Payment for the acquisition of property and equipment	56,579	19,810	151,112
Payment for the acquisition of intangible assets	13,093	102,593	31,802
	69,672	**122,403**	**182,914**

We plan to finance our future capital expenditure through cash generated from our operations, our existing bank borrowings and the net proceeds from the Global Offering. Our current capital expenditure plans for any future period are subject to change, and we may adjust our capital expenditure according to our future cash flows, our results of operations and financial condition, our business plans, market conditions and various other factors we believe to be appropriate. For details, see "Future Plans and Use of Proceeds – Use of Proceeds" in this prospectus.

CONTRACTUAL OBLIGATIONS

Commitments

As of December 31, 2021, 2022 and 2023, we had commitments of RMB444.1 million, RMB359.6 million and RMB275.6 million, primarily related to purchase of network resources from a major telecommunications company in China, in order to improve our service capabilities and further strengthen our solution offerings in city management and administration projects. For details, see "Business – Suppliers and Procurement – Top Suppliers" in this prospectus. The following table sets forth our commitments as of the dates indicated:

	As of December 31,		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Purchase of network and other telecommunication resource costs	424,246	291,400	180,306
Purchase of property, equipment and intangible assets	19,833	68,236	95,300
	444,079	**359,636**	**275,606**

CONTINGENT LIABILITIES

As of December 31, 2021, 2022 and 2023, we did not have any material contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

KEY FINANCIAL RATIOS

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

	Year Ended December 31,		
	2021	2022	2023
	%	%	%
Gross profit margin(1)	33.1	39.1	40.0
Adjusted net margin (a non-IFRS measure)(2)	13.6	13.9	14.5

Notes:

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

(2) Adjusted net margin (a non-IFRS measure) equals adjusted net profit (a non-IFRS measure) divided by revenue for the year and multiplied by 100%.

For details, see "– Description of Selected Components of Consolidated Statements of Profit or Loss" and "– Period to Period Comparison of Results of Operations" in this section.

RELATED PARTY TRANSACTIONS AND BALANCES

We enter into transactions with our related parties from time to time. Our Directors are of the view that each of the related party transactions set out in Note 33 to the Accountants' Report included in Appendix I to this prospectus was conducted in the ordinary course of business on an arm's-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance. Our balances with related parties as of December 31, 2023 are set out in Note 33 to the Accountants' Report in Appendix I to this prospectus.

RISK DISCLOSURES

We are exposed to a variety of financial risks, including credit risk, liquidity risk, interest rate risk and currency risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. For more details, see Note 30 to the Accountants' Report in Appendix I to this prospectus. As of the Latest Practicable Date, we did not hedge or consider necessary to hedge any of these risks.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to us. Our credit risk is primarily attributable to trade receivables and other receivables. Our exposure to credit risk arising from cash are limited because the counterparties are reputable banks or financial institution, which we consider to present low credit risks. Our exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating; and (ii) the remaining lease term and the period covered by the rental deposits. Our management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Our exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. The default risk of the industry or country in which the customers operate also has an influence on credit risk. 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, taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

We measure loss allowances for trade receivables at lifetime ECL. We determine ECL by using a provision matrix, estimated based on historical credit loss experience, the past default experience of the debtor, general economic conditions of the industry and country in which the debtors operate and an assessment of both the current and the forecast duration of condition as of December 31, 2021, 2022 and 2023. As our historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among our different customer bases. As of December 31, 2021, 2022 and 2023, our loss allowance on trade receivables amounted to RMB32.4 million, RMB66.5 million and RMB121.9 million, respectively.

In 2021, 2022 and 2023, our write-off of trade receivables amounted to nil, RMB8.5 million and nil, respectively. The write-off that we made in 2022 was in relation to our trade receivables accrued before the Track Record Period that had been past due for more than three years, after our multiple efforts to collect payment to no avail. Considering that we would not continue to sell to the customers involved going forward, our management decided to write off such trade receivables. During the Track Record Period, we did not recognize any revenue from the customers the trade receivables from whom had been written off. As of December 31, 2023 and the Latest Practicable Date, the amounts of our outstanding trade receivables from such customers were nil.

Liquidity Risk

Our management are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. Our policy is to regularly monitor our liquidity requirements and our compliance with lending covenants, to ensure that we maintain sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet our liquidity requirements in the short and longer term.

Interest Rate Risk

Our interest-bearing financial instruments at variable rates are the cash at bank as of December 31, 2021, 2022 and 2023. Our interest-bearing financial instruments at fixed interest rates are loans and borrowings as of December 31, 2021, 2022 and 2023 that are measured at amortized cost.

Our income and operating cash flows are substantially independent of exchanges in market interest rates and we have no significant interest-bearing assets except for cash.

Currency Risk

As of December 31, 2021, 2022 and 2023, we are not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of our Company and our subsidiaries are not significant.

DIVIDEND

No dividends were paid or declared by our Company or any of our subsidiaries during the Track Record Period. After completion of the Global Offering, we may distribute dividends in the form of cash or by other means permitted by our Articles of Association. Any proposed distribution of dividends shall be formulated by our Board and will be subject to approval of our Shareholders. A decision to declare or to pay any dividends in the future, and the amount of any dividend, will depend upon a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that our Directors may consider important.

According to the PRC *Company Law*, a PRC incorporated company is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to contribute to certain statutory reserve funds until the aggregate amount contributed to such funds reaches 50% of its registered capital. Such company may pay dividends out of after-tax profits after making up for accumulated losses and contributing to statutory reserve funds as mentioned above. As advised by our PRC Legal Adviser, our Company cannot pay dividends if it is in an accumulated loss position.

There is no assurance that dividends of any amount will be declared or be distributed in any year. Currently, we do not intend to adopt a formal dividend policy or a fixed dividend distribution ratio following the Global Offering.

PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdiction, including the IFRS. According to the applicable PRC laws and our Articles of Association, we will pay dividends out of our profit after tax only after we have made the following allocations:

- recovery of the losses incurred in the previous year;
- allocations to the statutory common reserve equivalent to 10% of our profit after tax until such reserve has reached more than 50% of our registered capital; and
- allocation to a discretionary common reserve of our profit after tax that are approved by a shareholders' meeting.

We will therefore only be able to declare dividends after (i) all our historically accumulated losses have been made up for; and (ii) we have allocated sufficient net profit to our statutory common reserve fund as described above.

DISTRIBUTABLE RESERVES

As of December 31, 2023, we did not have any distributable reserves.

LISTING EXPENSE

During the Track Record Period, we incurred listing expenses of RMB4.6 million (HK$5.0 million) and RMB15.9 million (HK$17.5 million) charged to administrative and other operating expenses in our statements of profit or loss in 2022 and 2023, respectively.

Listing expenses to be borne by us are estimated to be approximately RMB84.2 million (HK$92.4 million), at the Offer Price of HK$152.10 per Offer Share, and assuming the Over-allotment Option is not exercised, among which (i) underwriting-related expenses, including underwriting commission and other expenses are approximately RMB33.3 million (HK$36.6 million); and (ii) non-underwriting-related expenses are approximately RMB50.9 million (HK$55.8 million), comprising (a) fees and expenses of legal advisors and accountants of approximately RMB26.9 million (HK$29.5 million); and (b) other fees and expenses of approximately RMB24.0 million (HK$26.3 million). As of December 31, 2023, we incurred a total of RMB24.1 million (HK$26.4 million) in listing expenses, among which RMB20.5 million (HK$22.5 million) was recognized in our statements of profit or loss, and RMB3.6 million (HK$3.9 million) is expected to be deducted from equity. We estimate that we will further incur listing expenses of RMB60.1 million (HK$66.0 million), of which RMB20.7 million (HK$22.7 million) will be recognized in our statements of profit or loss, and RMB39.4 million (HK$43.3 million) will be deducted from equity. Our listing expenses as a percentage of gross proceeds from the Global Offering will be 13.9%, assuming an Offer Price of HK$152.10 per Offer Share and that the Over-allotment Option is not exercised. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of our Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below for the purpose to illustrate the effect of the Global Offering on the consolidated net tangible liabilities attributable to equity shareholders of our Company as of December 31, 2023 as if it had taken place on December 31, 2023.

The statement of unaudited pro forma adjusted net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of our Group had the Global Offering been completed as of December 31, 2023 or any future date.

	Consolidated net tangible liabilities attributable to the equity shareholders of our Company as of December 31, 2023(1)	Estimated net proceeds from this Global Offering(2)(5)	Estimated impact upon the derecognition of redeemable capital contributions(3)	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company(6)	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company per Share(4)	
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB(4)*	*HK$(5)*
Based on an Offer Price of HK$152.10 per Share	(154,823)	541,848	852,912	1,239,937	35.00	38.38

Notes:

(1) The consolidated net tangible liabilities attributable to the equity shareholders of our Company as of December 31, 2023 is calculated based on the audited consolidated total deficit attributable to the equity shareholders of our Company as of December 31, 2023 of RMB11,683,000 extracted from the Accountants' Report set out in Appendix I to this prospectus, after deduction of intangible assets attributable to the equity shareholders of our Company of RMB103,972,000 and goodwill of RMB39,168,000.

(2) The estimated net proceeds from this Global Offering are based on the expected issuance of 4,365,660 H shares and the indicative Offer Prices of HK$152.10, after deduction of the estimated underwriting fees and other estimated related expenses payable by our Group (excluding listing expenses of RMB20,509,000 which have been expensed prior to December 31, 2023) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option.

(3) The carrying amount of redeemable capital contributions was RMB852,912,000 as of December 31, 2023 (as set out in Note 26 to the Historical Financial Information included in the Accountant's Report in Appendix I to this prospectus). Upon the Listing and completion of the Global Offering, special rights attributable to the investors of the redeemable capital contributions will be removed, and these redeemable capital contributions will be derecognized as liabilities and transferred to equity.

(4) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of our Company per Share is arrived at after adjustments on the basis that 35,424,890 Shares were in issue assuming that the Global Offering had been completed on December 31, 2023 without taking into account of the Shares that may be issued upon exercise of the Over-allotment Option.

(5) For illustrative purpose, the estimated net proceeds from the Global Offering is converted from the Hong Kong Dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of our Company per Share is converted from Renminbi into Hong Kong Dollar at the exchange rate of HK$1 to RMB0.9120, the exchange rate set by PBOC prevailing on June 20, 2024. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate.

(6) No adjustment has been made to the unaudited pro forma adjusted net tangible assets attributable to equity shareholder of our Company to reflect any trading results or other transactions entered into subsequent to December 31, 2023.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, up to the date of this prospectus, there had been no material adverse change in our financial or operational prospects since December 31, 2023, being the latest balance sheet date of our consolidated financial statements in the Accountants' in Appendix I to this prospectus.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirmed that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For details of a description of our future plans, see "Business – Our Strategies" in this prospectus.

USE OF PROCEEDS

At an Offer Price of HK$152.10 per Offer Share, we estimate that we will receive net proceeds of approximately HK$571.6 million from the Global Offering after deducting the underwriting commissions and other estimated expenses paid and payable by us in connection with the Global Offering and assuming that the Over-allotment Option is not exercised.

We currently intend to use the net proceeds we expect to receive from the Global Offering for the following purposes and in the amounts set out below.

- Approximately 60.0%, or HK$343.0 million, will be used to enhance the fundamental research on our key technologies, improve the development of our standardized solutions and iteratively launch diverse commercialization applications and functions for more business scenarios. We plan to further apportion the use of such net proceeds as follows.

  ➢ Approximately 30.0%, or HK$171.5 million, will be used to strengthen our research and development team, including:

    (i) approximately 23.0%, or HK$131.5 million, will be allocated for our research and development team on further explorations into our key technological areas, so as to strengthen our competitiveness over existing and emerging enterprise-level conversational AI solution providers, and maintain our competitiveness and innovativeness of our conversational AI technologies. Specifically,

      (1) approximately 10.0%, or HK$57.2 million, will be used for reinforcement learning, transfer learning and federated learning technologies. We will continue our fundamental AI technological explorations under the self-supervised learning framework to further reduce the dependence of AI algorithms training on the amount of data and significantly enhance the generalization ability of our algorithms. These technologies will further enhance the ability of our solutions to be applied across different application scenarios, thereby reducing our costs of expansion into new use cases and end-customer industries;

(2) approximately 10.0%, or HK$57.2 million, will be used for technologies related to visualizable conversational AI empowered by computer vision AI. We will endeavor to strengthen our technological accumulations in visualizable conversational AI that is further empowered by computer vision AI technologies, in order to launch, for instance, conversational AI-enabled digital avatars that can be applied in not only customer service scenarios, but also in wider areas that have demand for more vivid and engaging conversational interaction experiences;

(3) approximately 3.0%, or HK$17.1 million, will be used for technologies related to next-generation unified communications compatible with visualizable conversational AI. We will continue our research into unified communication technologies for signal processing and intelligent integration with respect to video calls made via the original calling interface compatible with the networks of each major telecommunications company in China, which we believe are likely to achieve a new enterprise-level interactive mode and have broad applicability in various scenarios where video-based conversations will provide better user experiences and improve customer services;

We had demonstrated promising prospects for stable profitability with accessible research and development expenses during the Track Record Period, leveraging the high standardization of our solutions based upon our mature technological and know-how precipitation in the area for decades. The aforementioned key technological development projects, however, feature higher technological thresholds where multiple technological areas intersect. We believe that such projects represent the future of underlying conversational AI technologies that we are committed to purse, on which we will need to enlarge our spending to expedite our technological accumulations so as to profit on our first-mover advantages in the future. For details, see “Business – Our Technologies – Key Technological Development Projects” in this Prospectus.

(ii) approximately 7.0%, or HK$40.0 million, will be allocated for our research and development team on the improvement of our standardized solutions to enhance their functionalities as applied in various application scenarios of different end-customer industries, which we believe will help improve our competitiveness in the enterprise-level conversational AI market characterized by increasingly intensifying competitions. For example, with the expansion of our business footprints both domestically and globally, we plan to continue to strengthen our capabilities of processing and analyzing conversations involving an increasing number of linguistical contexts, ranging from Chinese dialects to foreign languages.

To achieve the plans above, we plan to (i) recruit scientists, researchers, architects and engineers with experience in unified communications, AI and software development; and (ii) increase the compensation levels for our present research and development staff.

To maintain our competitive edges and further innovate our solutions and technologies, we plan to hire additional scientists, researchers, architects and/or engineers with the net proceeds from the Global Offering over the next three years upon the Listing. Qualified candidates are expected to include (i) experienced laterals from renowned AI companies or academic institutes who have published relevant papers on international journals or have extensive experiences in the commercialization of AI technologies; and/or (ii) outstanding and talented fresh graduates from leading universities. We believe that qualified and experienced talents are crucial for sustaining our leadership in the aforementioned key technologies and continuously upgrading our algorithms and technological engines.

To effectively retain our R&D staff and prevent them from joining our competitors, we intend to gradually increase the compensation levels for our R&D staff to keep up with any increase in the industry level and maintain the competitiveness of our compensation package. Specifically, we intend to gradually increase their wages and benefits and implement share-based incentives to motivate them by providing such persons with an opportunity of sharing our business growth and future success. According to our current recruitment plan, by the end of the said year, the compensation levels of our R&D staff are expected to reach around RMB228 thousand per year, representing an approximate 20.2% increase compared with that during the Track Record Period.

➢ Approximately 30.0%, or HK$171.5 million, will be used to strengthen our technological infrastructure and research and development capabilities. Specifically,

(i) approximately 20.0%, or HK$114.3 million, will be allocated for the procurement and installation of equipment, devices and/or software to support our increasing business needs over the next three years upon the Listing. Specifically, we were establishing an AI empowerment computing center as of the Latest Practicable Date, which, equipped with ample GPU resources, could cloudify the computing power and training of AI models, in order to further enhance the capabilities of our AI technologies. As the computing center can significantly empower the efficiency of training our AI models, we are able to effectively improve the performance of our solutions in various specific scenarios. Accordingly, we plan to procure GPUs, advanced servers and other hardware components such as network and other telecommunication equipment and resources, as well as other accessory equipment, in order to increase the total computing power and support training and production of AI models. The table below sets forth the expected costs by each major type of equipment/resource to be procured:

No.	Equipment/Resource	Expected Approximate Cost
1	Customized servers (including GPUs)	RMB2,000 thousand/unit
2	Computer memories	RMB1,000 thousand/unit
3	Bandwidths	RMB30 per month/MB
4	Firewall	RMB3,000 thousand/unit
5	Core switches	RMB210 thousand/unit

The establishment of the computing center provides the infrastructure support necessary for carrying out our future R&D endeavors, as we continue to scale up our solution offerings. In addition to the historical expenditures incurred during the Track Record Period, we expect to further invest in this aspect in order to solidify our technologically competitive position in the full-stack enterprise-level conversational AI market in the long run. For details, see "Business – Our Technologies – AI Technologies – AI Empowerment Computing Center" in this prospectus;

(ii) approximately 10.0%, or HK$57.2 million, will be allocated on technology development fees in relation to research and development activities to be carried out under new research and development centers/labs, among others. To further enhance our research and development capabilities and attract research and development talents, we plan to establish a number of such research and development centers/labs jointly with more reputed technology companies and academic institutes. Under the management of our headquarter, these new research and development centers/labs will work with us in jointly conducting research and development activities that are informed by the optimal industry experiences and customer insights, so as to develop technological leading and commercially viable solutions. To the best estimates of our Directors, we expect to establish approximately two to three new research and development centers/labs with other technology companies and academic institutes, respectively, in the near future and the average technology development fees in association with each research and development center/lab over the next three years upon the Listing thus range around approximately RMB15 million, depending upon the subject matter, complexity and depth, etc. of the collaboration. For details of our exemplary external collaborations during the Track Record Period, see "Business – Our Technologies – AI Technologies – Technological Collaboration" and "Business – Research and Development" in this prospectus.

- Approximately 20.0%, or HK$114.3 million, will be allocated to expand our solution offerings, build our brand and enhance our commercialization capabilities. By leveraging our go-to-market strategies and accumulated industry insights proven to be successful in serving our four key end-customer industries, we plan to accelerate our penetration into other industries such as the media, healthcare, E-commerce and retailing, etc., in order to empower their intelligent transformation and improve our industry coverage. We will conduct careful evaluation and analysis on the expected market size, competitive landscape and potential challenges before entering into other new end-customer industries. We plan to further apportion the use of such net proceeds as follows.

  ➢ Approximately 8.0%, or HK$45.7 million, will be used to enhance our business development efforts and increase market penetration. As an important way to strengthen our sales and marketing capabilities, we plan to recruit and retain diversely backgrounded professionals with rich industry and customer insights, which we believe can help us capture the business needs of users and the pain points of the industry to expand our user base and increase customer loyalty, hence increasing the customers' spending on our solutions. We plan to hire additional sales and marketing staff over the next three to four years upon the Listing to support our business growth and gradually improve the compensation levels for our present sales and marketing staff, as well as to implement share-based incentives.

➢ Approximately 12.0%, or HK$68.6 million, will be used to enhance our brand awareness through various channels and develop relationships with industry participants. We plan to promote our solutions by engaging in more marketing activities through both offline and online channels, in order to build our brand. Specifically,

(i) approximately 6.0%, or HK$34.3 million, will be used for brand promotion and exposure, including organizing and sponsoring highly influential industry events and other sales and marketing activities, over the next three years upon the Listing;

(ii) approximately 6.0%, or HK$34.3 million, will be allocated for collaborating with our eco-partners in other forms of marketing. We will build an eco-collaboration department to promote our brand awareness among our existing and potential customers and users.

- Approximately 10.0%, or HK$57.2 million, will be used to pursue domestic and overseas strategic investment and acquisition opportunities, so as to implement our long-term growth strategy to optimize our solutions and expand and penetrate the end-customer industries that we cover. Specifically, we plan to select businesses (i) with technologies that are complementary to our solutions in terms of improving our cutting-edge conversational AI technologies and allowing us to comprehensively optimize our deployment efficacy and the completeness of our solution offerings; (ii) with proven market position, extensive know-how and stably maintained and healthy financial track record in the end-customer industries where we have already established strong presence and intend to further increase the penetration, and the end-customer industries that we may expand into in the future; and/or (iii) with promising overseas customer resources and conversational AI technological capabilities.

  As such, we may invest in leaders in the cutting-edge technologies that we are focusing on and paying close attention to, providers focusing on solutions applied to specific end-customer industries or sub-end-customer industries, and overseas conversational AI enterprises with early-mover advantages. Leveraging such potential strategic investments and acquisitions, we expect to achieve synergies therewith in terms of optimizing our overall deployment efficacy, improving our technological capabilities and solution offerings, enlarging our user base, and enhancing and expanding our overseas presence, among others. We intend to make such investments and acquisitions mainly through equity (controlling or non-controlling) and may consider other forms of investment such as debt or that with convertible features if such are better suited for the need of the transaction, evaluated on a case-by-case basis. As of the Latest Practicable Date, we did not identify any investment and acquisition target in this regard.

- Approximately 10.0%, or HK$57.2 million, will be used for general corporate purposes.

If the Over-allotment Option is exercised in full, the additional net proceeds that we will receive will be approximately HK$94.0 million at the Offer Price of HK$152.10 per Offer Share. In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose on a *pro rata* basis.

To the extent that the net proceeds from the Global Offering are not immediately used for the above purposes and to the extent permitted by applicable laws and regulations, we may hold such funds in short-term interest-bearing accounts at other authorized financial institutions as defined under the Securities and Futures Ordinance and/or licensed commercial banks so long as it is deemed to be in the best interests of our Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules. In addition, there remains the risk that our proceeds from the capital market or other open markets might not be sufficient for our purposes planned above, and in such case, we would need additional capital to fund our business expansion plans. See "Risk Factors – Risks Relating to Our Financial Position and Need for Additional Capital – We had net loss for the year 2022 and 2023 and net cash flows used in operating activities during the Track Record Period, and may need to obtain additional financing to fund our operations, which may cause dilution to our Shareholders and restrict our operations, and we may not be able to obtain additional financing on favorable terms or at all" in this prospectus.

THE CORNERSTONE INVESTMENTS

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**", and together the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for a certain number of Offer Shares (the "**Cornerstone Investments**").

At the Offer Price of HK$152.10, the total number of Offer Shares to be subscribed for by the Cornerstone Investors would be 1,798,640 Offer Shares (rounded down to the nearest board lot of 20 H Shares), representing (i) approximately 41.2% of the Offer Shares pursuant to the Global Offering (assuming the Over-allotment Option is not exercised; (ii) approximately 5.1% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised); and (iii) approximately 5.0% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is exercised in full).

Our Company is of the view that, (i) the Cornerstone Investments will ensure a reasonable size of solid commitment at the beginning of the marketing period of the Global Offering and will provide confidence to the market; and (ii) given the background of the Cornerstone Investors, the Cornerstone Investment will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. The Cornerstone Investors became acquainted with us through introduction by our Shareholder or its financial adviser.

The Cornerstone Investments will form part of the International Offering, and the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed for by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid H Shares in issue following the completion of the Global Offering and to be listed on the Stock Exchange. The Offer Shares to be subscribed for by the Cornerstone Investors will be counted towards the public float of our Company under Rule 8.08 of the Listing Rules.

Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors will become a substantial Shareholder; (ii) none of the Cornerstone Investors will have any Board representation in our Company, and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% of the securities in public hands for the purpose of Rule 8.08(3) of the Listing Rules.

To the best knowledge of our Company, (i) each of the Cornerstone Investors is an independent third party and is independent of our Company, its connected persons and their respective associates; (ii) none of the Cornerstone Investors is accustomed to take instructions from our Company, the Directors, the Supervisors, chief executive of our Company, Controlling Shareholders, substantial Shareholders or existing Shareholders or any of its subsidiaries or their respective close associates; and (iii) none of the subscription for the relevant Offer Shares by the Cornerstone Investors is financed by our Company, our subsidiaries, the Directors, the Supervisors, chief executive of our Company, Controlling Shareholders, substantial Shareholders or any of its subsidiaries or their respective close associates.

As confirmed by each of the Cornerstone Investors, they made their own independent decisions to enter into the Cornerstone Investment Agreements, and their subscriptions under the Cornerstone Investment would be financed by their own internal resources. The Cornerstone Investors have also confirmed that all necessary approvals have been obtained with respect to the Cornerstone Investments and that no specific approval from any stock exchange (if relevant) or their shareholders is required for the Cornerstone Investments. Other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, the Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders. Other than the Cornerstone Investment Agreements, there are no side agreements or arrangements between us and the Cornerstone Investors in relation to the Global Offering.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Investment may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the Global Offering – The Hong Kong Public Offering – Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be reduced on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the shortfall, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) to exercise the Over-allotment Option. Details of the actual number of Offer Shares to be allocated to each of the Cornerstone Investors will be disclosed in the allotment results announcement to be issued by our Company on or around July 9, 2024.

Pursuant to the Cornerstone Investment Agreements, the Sole Overall Coordinator (for itself and on behalf of the International Underwriters) has the discretion to effect a delayed delivery of the Offer Shares to be subscribed for by each of the Cornerstone Investors on a date later than the Listing Date, subject to the conditions contained therein. Such delayed delivery arrangement is in place to facilitate the over-allocation in the International Offering. There will be no delayed delivery if there is no over-allocation in the International Offering. The delayed delivery arrangements relate only to the delay in the delivery of the Offer Shares to such Cornerstone Investor on the condition that the Offer Price for the Offer Shares allocated to such Cornerstone Investor will be fully paid before the Listing, and thus there will be no delayed settlement of payment no matter whether there is delayed delivery or not. For details of the Over-allotment Option and the stabilization action by the Stabilizing Manager, please refer to the paragraphs headed "Structure of the Global Offering – The International Offering – Over-allotment Option" and "Structure of the Global Offering – The International Offering – Stabilization" in this prospectus, respectively.

The table below sets out details of the Cornerstone Investment:

			Based on the Offer Price of HK$152.1			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Cornerstone Investor	**Total investment amount**[(Notes 1 & 2)]	**Number of Offer Shares to be acquired**[(Note 3)]	**Approximate % of the Offer Shares**	**Approximate % of the issued share capital following the completion of the Global Offering**	**Approximate % of the Offer Shares**	**Approximate % of the issued share capital following the completion of the Global Offering**
Jiangkong (as defined below)	RMB50.0 million (approximately HK$54.8 million)	356,840	8.2%	1.0%	7.1%	1.0%
Guangtong Gongying (as defined below)[(Note 4)]	RMB200.0 million (HK$219.3 million)	1,441,800	33.0%	4.1%	28.7%	4.0%
Total	RMB250.0 million (HK$274.1 million)	1,798,640	41.2%	5.1%	35.8%	5.0%

Notes:

(1) Calculated for illustrative purpose based on the exchange rate of HK$1 to RMB0.9120, being the exchange rate set by PBOC prevailing on June 20, 2024. The actual investment amount may vary subject to the exchange rate to be determined in accordance with the relevant Cornerstone Investment Agreements.

(2) The investment amount payable by Jiangkong is inclusive of brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy, whereas the investment amount payable by Guangtong Gongying is exclusive of brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy.

(3) Rounded down to the nearest whole board lot of 20 H Shares.

(4) Guangtong Gongying has agreed to subscribe for at the Offer Price (i) the number of H Shares (rounded down to the nearest whole board lot of 20 H Shares) that may be purchased with an amount of Hong Kong dollar equivalent of RMB200.0 million, or (ii) 33.3% of the number of Offer Shares offered under the Global Offering (rounded down to the nearest whole board lot of 20 H Shares and assuming that the Over-allotment Option is not exercised), whichever the lower.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Investments.

Jiangkong

Jiangsu Jiangkong Investment Co., Ltd. (江蘇江控投資有限公司) ("**Jiangkong**") is a limited liability company established in the PRC on February 24, 2024, and is 99.99% owned by Ganzhou Zhongchuan Jiangkong Equity Investment Center (Limited Partnership) (贛州中傳江控股權投資中心(有限合夥)) ("**Ganzhou Zhongchuan**") as of the Latest Practicable Date. Ganzhou Zhongchuan is a limited partnership established in the PRC focusing in equity investments, and is managed by CCMG PE funds management Co., Ltd. (中傳金控(天津)股權投資基金管理有限公司) ("**CCMG PE**") as its general partner with approximately 0.29% of the partnership interest in Ganzhou Zhongchuan. Ganzhou Zhongchuan has three limited partners, being Shanghai Yasida Technology Development Co., Ltd. (上海亞仕達科技發展有限公司) ("**Shanghai Yasida**"), Shanghai Qiuteng Asset Management Co., Ltd. (上海秋騰資產管理有限公司) ("**Shanghai Qiuteng**") and Jiuli Group Co., Ltd. (久立集團股份有限公司) ("**Jiuli Group**"), holding approximately 42.86%, 42.57% and 14.29% of the partnership interests in Ganzhou Zhongchuan, respectively. Shanghai Yasida is held by Guo Ying (郭英) as to 65% and Guo Libi(郭利碧) as to 35%. Shanghai Qiutent is held as to 55% by Shanghai Jieyu Technology (which is in turn held as to 70% by Chen Bin (陳斌) and 30% by Chen Yanmei (陳艷梅)) and 45% by Shanghai Yasida. To the best knowledge and information of the Directors, Jiuli Group has no control of Ganzhou Zhongchuan or Jiangkong. CCMG PE is a registered private fund manager under the relevant PRC Laws. CCMG PE has six shareholders, with China Culture Media Group Co., Ltd. (中國文化傳媒集團股份有限公司) ("**CCMG**") being the largest shareholder holding approximately 19.59% of the equity interests in CCMG PE. CCMG is wholly-owned by the State Council of the PRC.

As at the Latest Practicable Date, Zhejiang Jiuli Investment, which is wholly owned by Zhejiang Jiuli Hi-tech Metals Co., Ltd. (浙江久立特材科技股份有限公司) ("**Zhejiang Jiuli Hi-tech**") (a company listed on the Shenzhen Stock Exchange, stock code: 002318), held approximately 1.49% of the total issued Shares of our Company. Jiuli Group holds approximately 35.58% of the total issued shares of and is the holding company of Zhejiang Jiuli Hi-tech, and according to the public disclosure of Zhejiang Jiuli Hi-tech, its financial results are consolidated into those of Jiuli Group. In addition, Shanghai Qiuteng is a limited partner of Jiaxing Chengshun Phase II, our existing Shareholder holding approximately 4.95% of the total issued Shares as at the Latest Practicable Date, with approximately 19.98% of the partnership interest of Jiaxing Chengshun Phase II.

Based on the information above, (i) Jiangkong is not a close associate of Zhejiang Jiuli Investment, one of our existing Shareholders, as defined under the Listing Rules; and (ii) Shanghai Qiuteng is not a close associate of Jiaxing Chengshun Phase II, one of our existing Shareholders, as defined under the Listing Rules.

For the purpose of the Cornerstone Investment, Jiangkong will through its wholly owned subsidiary, HONGKONG JIANGKONG INVESTMENT LIMITED, to subscribe for and hold such number of Offer Shares under the relevant Cornerstone Investment Agreement.

Guangtong Gongying

Wuhan Guangtong Gongying Enterprise Management Partnership (Limited Partnership) (武漢光通共贏企業管理合夥企業(有限合夥)) ("**Guangtong Gongying**") is a limited partnership established in the PRC on May 17, 2024, which mainly engages in investment activities with self-owned funds and asset management services with self-owned funds. Guangtong Gongying is managed by Wuhan Optics Valley Growth Venture Capital Management Co., Ltd. (武漢光谷成長創業投資管理有限公司) ("**Optics Valley Growth VC**") as its general partner with approximately 0.005% of the partnership interest in Guangtong Gongying. Guangtong Gongying has three limited partners, being Wuhan Optics Valley Venture Capital Fund Co., Ltd. (武漢光谷創業投資基金有限公司) ("**Optics Valley VC Fund**"), Wuhan Optics Valley Industrial Investment Co., Ltd. (武漢光谷產業投資有限公司) ("**Optics Valley Industrial Investment**") and Wuhan Optics Valley Intelligent Network Technology Co., Ltd. (武漢光谷智能網聯科技有限公司) ("**Optics Valley Intelligent Network Technology**"), holding approximately 39.995%, 30.000% and 30.000% of the partnership interests in Guangtong Gongying, respectively.

Optics Valley VC Fund is held as to 57% by Wuhan Optics Valley Financial Holding Group Co., Ltd (武漢光谷金融控股集團有限公司) ("**Optics Valley Financial Holding**") and 43% by Optics Valley Growth VC. Optics Valley Financial Holding is in turn held as to approximately 54.6% by Hubei Science and Technology Investment Group Co., Ltd. (湖北省科技投資集團有限公司) ("**Hubei Science and Technology Investment**"), 20.0% by Wuhan Hi-Tech State-owned Holding Group Co., Ltd. (武漢高科國有控股集團有限公司) ("**Wuhan Hi-Tech State-owned Holding**"), 12.5% by Wuhan Gehua Group Co., Ltd. (武漢葛化集團有限公司) ("**Wuhan Gehua Group**"), 12.5% by Wuhan Hi-Tech Agriculture Group Co., Ltd. (武漢高科農業集團有限公司) ("**Wuhan Hi-Tech Agiculture**"), 0.4% by National Development Fund Co., Ltd. (國家發展基金有限公司). Hubei Science and Technology Investment, Wuhan Hi-Tech State-owned Holding, Wuhan Gehua Group and Wuhan Hi-Tech Agiculture are all wholly owned by Wuhan Donghu New Technology Development Zone Management Committee (武漢東湖新技術開發區管理委員會).

Optics Valley Industrial Investment is wholly owned by Hubei Science and Technology Investment.

Optics Valley Intelligent Network Technology is wholly owned by Wuhan Optics Valley Transportation Construction Co., Ltd. (武漢光谷交通建設有限公司), which is in turn held as to approximately 95.98% by Hubei Science and Technology Investment.

Optics Valley Growth VC is a limited liability company established in the PRC which mainly engages in venture capital management and venture capital consulting services. Optics Valley Growth VC is a non-wholly owned subsidiary of Optics Valley Financial Holding, which is interested in 80% of the voting rights in Optics Valley Growth VC. Optics Valley Financial Holding is in turn ultimately controlled by Wuhan Donghu New Technology Development Zone Management Committee (武漢東湖新技術開發區管理委員會) (please refer to above for details).

For the purpose of the Cornerstone Investment, Guangtong Gongying will through its wholly owned subsidiary, GuangTong Prosperous (Hong Kong) Co., Limited, to subscribe for and hold such number of Offer Shares under the relevant Cornerstone Investment Agreement.

CLOSING CONDITIONS

The subscription obligation of each of the Cornerstone Investors under the Cornerstone Investment Agreements is subject to, among other things, the following closing conditions:

(a) the underwriting agreements for the Hong Kong Public Offering and the International Offering being entered into by, among others, our Company and the Sole Overall-Coordinator and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in these underwriting agreements, and neither of the aforesaid underwriting agreements having been terminated;

(b) the Offer Price having been agreed upon between our Company and the Sole Overall Coordinator (for itself and on behalf of the International Underwriters);

(c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the H Shares (including the H Shares subscribed for by each of the Cornerstone Investors as well as other applicable waivers and approvals in relation to the Listing application), and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the H Shares on the Stock Exchange;

(d) the respective representations, warranties, undertakings, acknowledgements and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are accurate and true in all respects as of the date of the Cornerstone Investment Agreement and as of closing of the Cornerstone Investment, and not misleading and that there is no breach of such Cornerstone Investment Agreement on the part of the Cornerstone Investor; and

(e) no laws shall have been enacted or promulgated which prohibit the consummation of the transactions contemplated in the Global Offering or in the Cornerstone Investment Agreements and there shall be no orders or injunctions from government authority or a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions contemplated in the Global Offering or in the Cornerstone Investment Agreement.

RESTRICTIONS ON DISPOSALS BY THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months from the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares they have subscribed for pursuant to the relevant Cornerstone Investment Agreement, save for in certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited
China Securities (International) Brokerage Company Limited
CMBC Securities Company Limited
Orient Securities (Hong Kong) Limited
ABCI Securities Company Limited
CCB International Capital Limited
China Everbright Securities (HK) Limited
China Galaxy International Securities(Hong Kong) Co., Limited
China Merchants Securities (HK) Co., Limited
CMB International Capital Limited
DBS Asia Capital Limited
GF Securities (Hong Kong) Brokerage Limited
ICBC International Securities Limited
Shenwan Hongyuan Securities (H.K.) Limited
Zhongtai International Securities Limited
Fosun International Securities Limited
Futu Securities International (Hong Kong) Limited
Guosen Securities (HK) Capital Company Limited
Livermore Holdings Limited
Tiger Brokers (HK) Global Limited
TradeGo Markets Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, our Company is offering initially 436,580 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on and subject to the terms and conditions of this Prospectus at the Offer Price.

Subject to the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including any H Shares which may be issued pursuant to the exercise of the Over-allotment Option) and certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed to severally (and not jointly or jointly and severally) to subscribe or procure subscribers for their respective applicable proportions of the Hong Kong Offer Shares now being offered which are not taken up under the Hong Kong Public Offering on and subject to the terms and conditions of this Prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional upon and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) shall, in their sole and absolute discretion, be entitled by notice (in writing) to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect if prior to 8:00 a.m. on the Listing Date:

(a) there shall develop, occur, exist or come into effect:

(i) any event or series of events or circumstance in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international or regional emergency or war, calamity, crisis, epidemic, pandemic, outbreak of diseases or its escalations, mutation or aggravation (including, without limitation, COVID-19, SARS, swine or avian flu, H5N1, H1N1, H1N7, H7N9, Ebola virus, Middle East respiratory syndrome (MERS) and such related/mutated forms), accidents or prolonged interruption or delay in transportation, economic sanctions, strikes, labour disputes, lock-outs, other industrial actions, fire, explosion, flooding, earthquake, tsunami, volcanic eruption, riots, rebellion, civil commotion, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)), economic sanctions, paralysis in government operations, interruptions or delay in transportation in or affecting Hong Kong, the PRC, the United States, Japan, Singapore, the United Kingdom, the European Union (or any member thereof), or any other jurisdictions relevant to any member of the Group (collectively, the "**Relevant Jurisdictions**"); or

(ii) any change, or any development involving a prospective change, or any event or circumstance likely to result in any change or development involving a prospective change in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market conditions, equity securities or exchange control or any monetary or trading settlement system (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets) in or affecting any Relevant Jurisdictions; or

(iii) any moratorium, suspension or restriction (including, without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) in or on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or

(iv) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, New York (imposed at Federal or New York State level or other competent authority), London, or any other Relevant Jurisdiction, or any disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in any Relevant Jurisdiction; or

(v) any new Law (as defined in the Hong Kong Underwriting Agreement), or any change or any development involving a prospective change or any event or circumstance likely to result in a change or a development involving a prospective change in (or in the interpretation or application by any court or other competent authority of) existing laws, in each case, in or affecting any of the Relevant Jurisdictions; or

(vi) the imposition of sanctions, in whatever form, or the withdrawal of trading privileges, directly or indirectly, under any sanction Laws (as defined in the Hong Kong Underwriting Agreement), or regulations in, Hong Kong, the PRC or any of the Relevant Jurisdiction; or

(vii) a change or development involving a prospective change in or affecting taxes or exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or the Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar), or the implementation of any exchange control, in any of the Relevant Jurisdictions; or

(viii) any litigation or claim of any third party being threatened or instigated against any member of the Group; or

(ix) a Director, a Supervisor or a member of the Group's senior management as named in this Prospectus being charged with an indictable offense, or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship or supervisorship of a company; or

(x) a contravention by any member of the Group of the Listing Rules or applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xi) non-compliance of this prospectus (or any other documents used in connection with the contemplated offer and sale of the H Shares), the CSRC Filings (as defined in the Hong Kong Underwriting Agreement) or any aspect of the Global Offering with the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or any other applicable Laws (as defined in the Hong Kong Underwriting Agreement); or

(xii) other than with the written consent of the Sole Overall Coordinator, the issue or requirement to issue by the Company of any supplement or amendment to this prospectus (or to any other documents used in connection with the contemplated offer and sale of the H Shares) pursuant to the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules, the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or any requirement or request of the Stock Exchange, the CSRC and/or the SFC; or

(xiii) any change or prospective change or development, or a materialization of, any of the risks set out in the section headed "Risk Factors" of this Prospectus; or

(xiv) a valid demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity or any loss or damage sustained by that member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person),

which, individually or in the aggregate, in the sole and absolute opinion of the Sole Overall Coordinator and the Sole Sponsor: (A) has or will or may have a material adverse effect on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or (B) has or will or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of interest under the International Offering; or (C) make or will or may make it inadvisable or inexpedient or impracticable for the Global Offering, to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by the Offering Related Documents (as defined below); or (D) has or will or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof.

(b) there has come to the notice of the Sole Overall Coordinator or the Sole Sponsor:

(i) that any statement contained in any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement), the formal notice, the Operative Documents (as defined in the Hong Kong Underwriting Agreement), the Preliminary Offering Circular (as defined in the Hong Kong Underwriting Agreement), the PHIP (as defined in the Hong Kong Underwriting Agreement) and/or in any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering (collectively, the "**Offer Related Documents**") (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect, inaccurate, incomplete or misleading or deceptive in any material respect, or that any forecast, estimate, expression of opinion, intention or expectation contained in any of the Offer Related Documents (including any supplement or amendment thereto) is not fair and honest and based on reasonable assumptions; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this Prospectus, constitute a material misstatement in or omission from any of the Offer Related Documents (including any supplement or amendment thereto); or

(iii) any material breach of any of the obligations imposed upon any party to the Hong Kong Underwriting Agreement or the International Underwriting Agreement (other than upon any of the Hong Kong Underwriters or the International Underwriters); or

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of the Indemnifying Parties (as defined in the Hong Kong Underwriting Agreement) pursuant to the provisions under the Hong Kong Underwriting Agreement; or

(v) any adverse change, or any development involving a prospective adverse change, in the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, earnings, results of operations, position or condition, financial or otherwise, or performance of the Group as a whole; or

(vi) any breach of, or any event or circumstance rendering untrue or incorrect, incomplete or misleading in any respect, any of the Warranties (as defined in the Hong Kong Underwriting Agreement); or

(vii) the chairman, the chief executive officer or the chief financial officer of the Company or any of the executive Directors vacating his/her or her office; or

(viii) an Authority (as defined in the Hong Kong Underwriting Agreement) or a political body or organization in any Relevant Jurisdiction commencing any investigation or other action, or announcing an intention to investigate or take other action, against any Director or a member of the Company's senior management as disclosed in this prospectus; or

(ix) that approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the H Shares to be issued or sold (including any additional H Shares that may be issued or sold pursuant to the exercise of the Over-allotment Option) under the Global Offering is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(x) that the Company withdraws any of the Offering Documents (as defined in the Hong Kong Underwriting Agreement) or the Global Offering; or

(xi) that any expert (other than the Sole Sponsor) specified in this prospectus, whose consent is required for the issue of the prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its consent to being named in this prospectus or to the issue of any of the Offer Related Documents; or

(xii) that there is a prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(xiii) any Director, Supervisor or member of senior management of the Company as disclosed in this prospectus being charged with an indictable offence or is prohibited by operation of law or otherwise disqualified from taking part in the management of a company or that there is the commencement by any governmental, political or regulatory body of any investigation or other action against any Director, Supervisor or member of senior management of the Company in his/her capacity as such, or an announcement by any governmental, political or regulatory body that it intends to commence any such investigation or take any such action; or

(xiv) that there is any order or petition for the winding-up of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group; or

(xv) that a material portion of the orders placed or confirmed in the bookbuilding process, or of the investment commitments made by any cornerstone investors under agreements signed with such cornerstone investors, have been withdrawn, terminated or cancelled.

Undertakings pursuant to the Listing Rules and the Hong Kong Underwriting Agreement

Undertakings by our Company

In accordance with Rule 10.08 of the Listing Rules, we have undertaken to the Hong Kong Stock Exchange that, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date) except for the issue of Shares or securities pursuant to the Global Offering (including the Over-allotment Option) or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Except for the offer and sale of the Offer Shares pursuant to the Global Offering (including pursuant to the Over-allotment Option) and otherwise pursuant to the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), the Company hereby undertakes to each of the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Sponsor-Overall Coordinator, the Sole Overall Coordinator, the Capital Market Intermediaries, the Hong Kong Underwriters and the Sole Sponsor not to without the prior written consent of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules (particularly, Rule 10.08 of the Listing Rules):

(i) allot, issue, sell, accept subscription for, offer to allot, issue, repurchase or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an Encumbrance (as defined in the Hong Kong Underwriting Agreement) over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any legal or beneficial interest in, any H Shares or other securities of the Company or any interest in any of the foregoing (including, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H shares), or deposit any H Shares or other securities of the Company, as applicable, with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any H Shares or other securities of the Company, or any interest in any of the foregoing (including, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any H Shares); or

(iii) enter into any transaction with the same economic effect as any transaction specified in sub-paragraph (i) or (ii) above; or

(iv) offer to or agree to or announce any intention to effect any transaction specified in sub-paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in sub-paragraph (i), (ii) or (iii) above is to be settled by delivery of H Shares or other equity securities of the Company, as applicable, or in cash or otherwise (whether or not the issue of such H Shares or other shares or securities will be completed within the First Six-Month Period). In the event that, during the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), the Company enters into any of the transactions specified in sub-paragraph (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, the Company shall take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company. Our Controlling Shareholders undertake to each of the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters to procure the Company to comply with the foregoing undertakings.

Undertakings by the Controlling Shareholders

Each member of our Controlling Shareholders hereby undertakes to each of the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Hong Kong Underwriters and the Company that subject to the terms of the Hong Kong Underwriting Agreement, without the prior written consent of the Sole Sponsor and the Sole Overall Coordinator (for itself and on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules:

(i) he/she/it will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him/her/it and the companies controlled by him/her/it will not, at any time during the First Six-Month Period, (a) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an Encumbrance over, or agree to transfer or dispose of or create an Encumbrance over, either directly or indirectly, conditionally or unconditionally, any H Shares or other securities of the Company or any legal or beneficial interest therein (including any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares) (the "**Locked-up Securities**"), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts, or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Locked-up Securities, or (c) enter into any transaction with the same economic effect as any transaction specified in (a) or (b) above, or (d) offer to or agree to or announce any intention to effect any transaction specified in (a), (b) or (c) above, in each case, whether any of the transactions specified in (a), (b) or (c) above is to be settled by delivery of H Shares or other securities of the Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period or the Second Six-Month Period);

(ii) he/she/it will not, during the Second Six-Month Period, enter into any of the transactions specified in (i)(a), (i)(b), (i)(c) or (i)(d) above or offer to or agree to or contract or publicly announce any intention to effect any such transaction if, immediately following any sale, transfer or disposal or upon the exercise or enforcement of any option, right, interest or Encumbrance pursuant to such transaction, he/she/it will cease to be a "controlling shareholder" (as the term is defined in the Listing Rules) of the Company;

(iii) until the expiry of the Second Six-Month period, in the event that he/she/it enters into any of the transactions specified in (i)(a), (i)(b) or (i)(c) above or offer to or agrees to or announces any intention to effect any such transaction, he/she/it will take all reasonable steps to ensure that it will not create a disorderly or false market in the securities of the Company;

(iv) at any time during the First Six-Month Period and the Second Six-Month Period, he/she/it or any relevant registered holder will (a) if and when he/she/it or any relevant registered holder pledges or charges any Shares or other securities (or interest therein) of the Company beneficially owned by it, immediately inform the Company, the Sole Sponsor and the Sole Overall Coordinator in writing of such pledge or charge together with the number of Shares or other securities of the Company so pledged or charged; and (b) if and when he/she/it or any relevant registered holder receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other securities (or interest therein) of the Company will be disposed of, immediately inform the Company, the Sole Sponsor and the Sole Overall Coordinator in writing of such indications. For the avoidance of doubt, the lock-up arrangements with the Controlling Shareholders referred to herein shall not prevent any of the Controlling Shareholders from (1) using the Shares or other securities of the Company (or any interest therein) beneficially owned by them respectively as security (including a charge or a pledge) in favour of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan; and (2) purchasing additional Shares or other securities of the Company or any interest therein or dispose of Shares or other securities of the Company (or any interest therein) which are purchased in the First Six-Month Period and the Second Six-Month Period, provided that such purchase does not contravene the compliance by the Company with the requirement of Rule 8.08 of the Listing Rules to maintain an open market in the securities and a sufficient public float in the Shares.

Indemnity

Each of the Company and the Controlling Shareholders has agreed to indemnify, among others, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including any breach by them, respectively of the Hong Kong Underwriting Agreement or certain provisions thereof.

Sole Sponsor's Fee

An amount of US$1,000,000 is payable by our Company as sponsor fees to the Sole Sponsor.

The International Offering

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with, among others, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the International Underwriters. Under the International Underwriting Agreement, the International Underwriters will, subject to certain conditions set out therein, severally and not jointly, agree to procure subscribers or purchasers for the International Offer Shares (excluding, for the avoidance of doubt, the Offer Shares which are subject to the Over-allotment Option), failing which they agree to subscribe for or purchase their respective proportions of the International Offer Shares which are not taken up under the International Offering.

Our Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Sole Overall Coordinator on behalf of the International Underwriters at any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to an aggregate of 654,840 additional Offer Shares representing no more than 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover, among other things, over-allocations (if any) in the International Offering.

It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that if the International Underwriting Agreement is not entered into, or is terminated, the Global Offering will not proceed.

Total Commission and Expenses

The Capital Market Intermediaries and the Underwriters will receive an underwriting commission (the "**Fixed Fees**") equals to 4.0% of the aggregate sale proceeds from the Global Offering (including any proceeds arising from the exercise of any Over-allotment Option) (collectively the "**Gross Proceeds**"). Our Company may, at our sole and absolute discretion, pay to one or more Capital Market Intermediaries or Underwriters an incentive fee up to 1.5% of the Gross Proceeds (the "**Discretionary Fees**"). Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable to all Underwriters is 58.7:41.3. For unsubscribed Hong Kong Offer Shares reallocated to the International Offering, we will pay an underwriting commission at the rate applicable to the International Offering and such commission will be paid to the relevant International Underwriters and not the Hong Kong Underwriters.

The aggregate commissions and fees, together with listing fees, SFC transaction levy, AFRC transaction levy, Hong Kong Stock Exchange trading fee, legal and other professional fees and other expenses, payable by our Company relating to the Global Offering are estimated to be approximately HK$92.4 million in total.

Activities by Syndicate Members

We describe below a variety of activities that underwriters of the Hong Kong Public Offering and the International Offering (together, referred to as "**Syndicate Members**") and their affiliates may each individually undertake and (as further described below) which do not form part of the underwriting or the stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to the H Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the H Shares, entering into transactions with those buyers and sellers in a principal capacity, proprietary trading in the H Shares and entering into over the counter or listed derivative transactions or listed and unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have the H Shares as their or part of their underlying assets. Those activities may require hedging activity by those entities involving, directly or indirectly, buying and selling the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the H Shares, in baskets of securities or indices including the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the H Shares as their or part of their underlying assets, whether on the Hong Kong Stock Exchange or on any other stock exchange, the rules of the relevant exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the H Shares in most cases.

All of these activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering – The International Offering – Over-allotment Option" and "Structure of the Global Offering – The International Offering – Stabilization." These activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of their share price, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager, its affiliates or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) all of them must comply with all applicable laws, including the market misconduct provisions of the SFO, the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Hong Kong Underwriters' Interests in our Company

Save as otherwise disclosed in this prospectus and save for its obligations under the Hong Kong Underwriting Agreement, none of the Hong Kong Underwriters has any shareholding interests in our Company or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

Other Services to our Company

Certain of the Sole Overall Coordinator and the Underwriters or their respective affiliates have, from time to time, provided and expect to provide in the future investment banking and other services to our Company and our respective affiliates, for which such Sole Overall Coordinator, Underwriters or their respective affiliates have received or will receive customary fees and commissions.

Other Services Provided by the Underwriters

The Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and the Underwriters may in their ordinary course of business provide financing to investors subscribing for the Offer Shares offered by this prospectus. Such Sole Overall Coordinator, Joint Global Coordinators, Joint Bookrunners, Joint Lead Managers and Underwriters may enter into hedges and/or dispose of such Offer Shares in relation to the financing which may have a negative impact on the trading price of our H Shares.

Over-allotment Option and Stabilization

Details of the arrangements relating to the stabilization and Over-allotment Option are set forth in "Structure of the Global Offering – The International Offering – Stabilization," and "Structure of the Global Offering – The International Offering – Over-allotment Option."

Independence of the Sole Sponsor

The Sole Sponsor satisfied the independence criteria set out in Rule 3A.07 of the Listing Rules.

THE GLOBAL OFFERING

This Prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(i) the Hong Kong Public Offering of initially 436,580 Offer Shares in Hong Kong as described below in the paragraph headed "– The Hong Kong Public Offering" below; and

(ii) the International Offering of an aggregate of initially 3,929,080 Offer Shares, consisting of the offering of H Shares outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act as described in the paragraph headed "– The International Offering" this section below. At any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, the Sole Overall Coordinator, as representative of the International Underwriters, have an option to require us to issue and allot up to 654,840 additional Offer Shares, representing approximately 15.0% of the initial number of Offer Shares to be offered in the Global Offering, at the Offer Price to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 13.9% of our Company's enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, a press announcement will be made.

Investors may either

(1) apply for Offer Shares under the Hong Kong Public Offering; or

(2) apply for or indicate an interest for Offer Shares under the International Offering, but may not do both.

The Offer Shares will represent approximately 12.3% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 13.9% of the enlarged issued share capital immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in "– The International Offering – Over-allotment Option" below.

The number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering may be subject to reallocation as described in the paragraph headed "– The Hong Kong Public Offering – Reallocation" below.

References in this Prospectus to applications, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

Our Company is initially offering 436,580 Offer Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of Offer Shares initially available under the Global Offering.

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. The Hong Kong Offer Shares will represent approximately 1.2% of our Company's registered capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions as set out in "– Conditions of the Global Offering" below.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Offer Shares initially available under the Hong Kong Public Offering (after taking account of any reallocation referred to below) is to be divided equally into two pools for allocation purposes: pool A and pool B with any odd lots being allocated to Pool A. The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable) or less. The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable) and up to the total value in pool B. Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If Offer Shares in one (but not both) of the pools are undersubscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in this other pool and be allocated accordingly. For the purpose of this paragraph only, the "price" for Offer Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Offer Shares from either pool A or pool B but not from both pools. Multiple or suspected multiple applications and any application for more than approximately 50% of the 436,580 H Shares initially comprised in the Hong Kong Public Offering (that is 218,280 Hong Kong Offer Shares) will be rejected.

Reallocation

The allocation of Offer Shares between the Hong Kong Public Offering and the International Offering is subject to reallocation under the Listing Rules. Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place which would have the effect of increasing the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering if certain prescribed total demand levels are reached. 436,580 Offer Shares are initially available in the Hong Kong Public Offering, representing approximately 10% of the Offer Shares initially available for subscription under the Global Offering. In accordance with paragraph 4.2 of Practice Note 18 of the Listing Rules, if the number of Offer Shares validly applied for in the Hong Kong Public Offering represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering will be increased to 1,309,700 Offer Shares, 1,746,280 Offer Shares and 2,182,840 Offer Shares, respectively, representing approximately 30% (in the case of (i)), approximately 40% (in the case of (ii)) and 50% (in the case of (iii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), reallocation being referred to in this Prospectus as "Mandatory Reallocation".

In such cases, the number of Offer Shares allocated in the International Offering will be correspondingly reduced, in such manner as the Sole Overall Coordinator deems appropriate, and such additional Offer Shares will be reallocated to Pool A and Pool B. In addition, if the Hong Kong Offer Shares are not fully subscribed, the Sole Overall Coordinator has the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Sole Overall Coordinator deems appropriate, and the Allocation Cap as defined in and stated under Chapter 4.14 under the Guide for New Listing Applicants published by the Stock Exchange will not be triggered.

In addition to any Mandatory Reallocation which may be required, the Sole Overall Coordinator may reallocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B under the Hong Kong Public Offering in accordance with Chapter 4.14 of the Guide for New Listing Applicants issued by the Stock Exchange. In the event that (i) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times; or (ii) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed as to less than 15 times of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, up to 436,540 Offer Shares may be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be increased to no more than 873,120 Offer Shares, representing approximately 20% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

In the event that the International Offering and the Hong Kong Public Offering are undersubscribed, the Global Offering shall not proceed unless fully underwritten by the Underwriters pursuant to the Underwriting Agreements.

Applications

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the International Offering.

The listing of the H Shares on the Hong Kong Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the Offer Price of HK$152.10 per Hong Kong Offer Share in addition to any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee payable on each Hong Kong Offer Share. For further details, see "How to Apply for Hong Kong Offer Shares" in this prospectus.

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares offered

Subject to reallocation as described above, the International Offering will consist of an aggregate of 3,929,080 Offer Shares to be initially offered by us, representing approximately 90% of the total number of Offer Shares initially available under the Global Offering and approximately 11.1% of our Company's enlarged share capital immediately after the completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "book-building" process described in the paragraph headed "– The International Offering – Pricing of the Global Offering" below and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Offer Shares on the Hong Kong Stock Exchange. Such allocation is intended to result in a distribution of the Offer Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sole Overall Coordinator (for itself and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sole Overall Coordinator so as to allow it to identify the relevant application under the Hong Kong Public Offering and to ensure that it is excluded from any application of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Offering may change as a result of the clawback mechanism described in the sub-section headed "The Hong Kong Public Offering – Reallocation" above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

Over-allotment Option

In connection with the Global Offering, we are expected to grant an Over-allotment Option to the International Underwriters exercisable by the Sole Overall Coordinator on behalf of the International Underwriters.

Pursuant to the Over-allotment Option, the Sole Overall Coordinator has the right, exercisable at any time from the date of the International Underwriting Agreement until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue and allot up to 654,840 additional Offer Shares, representing approximately 15% of the initial Offer Shares, at the same price per Offer Share under the International Offering to cover over-allocation in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 1.8% of our Company's enlarged share capital immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

Stabilization

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent, any decline in the market price of the securities below the offer price. In Hong Kong and certain other jurisdictions, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager or any person acting for it, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the H Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the Listing Date. Short sales involve the sale by the Stabilizing Manager of a greater number of H Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional H Shares or purchasing H Shares in the open market. In determining the source of the H Shares to close out the covered short position, the Stabilizing Manager will consider, among others, the price of H Shares in the open market as compared to the price at which they may purchase additional H Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the H Shares while the Global Offering is in progress. Any market purchases of the H Shares may be effected on any stock exchange, including the Hong Kong Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing activity, which if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time. Any such stabilizing activity is required to be brought to an end within 30 days after the last day for the lodging of applications under the Hong Kong Public Offering. The number of the H Shares that may be over-allocated will not exceed the number of the H Shares that may be issued under the Over-allotment Option, namely, 654,840 H Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, in the event that the whole or part of the Over-allotment Option is exercised.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules, as amended, include:

(a) over-allocation for the purpose of preventing or minimizing any reduction in the market price;

(b) selling or agreeing to sell the H Shares so as to establish a short position in them for the purpose of preventing or minimizing any deduction in the market price;

(c) subscribing, or agreeing to subscribe, for the H Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, the H Shares for the sole purpose of preventing or minimizing any reduction in the market price;

(e) selling the H Shares to liquidate a long position held as a result of those purchases; and

(f) offering or attempting to do anything described in (b), (c), (d) and (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

As a result of effecting transactions to stabilize or maintain the market price of the H Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the H Shares. The size of the long position, and the period for which the Stabilizing Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain. In the event that the Stabilizing Manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the H Shares.

Stabilizing action by the Stabilizing Manager, or any person acting for it, is not permitted to support the price of the H Shares for longer than the stabilizing period, which begins on the day on which trading of the H Shares commences on the Hong Kong Stock Exchange and ends on the thirtieth day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilizing period is expected to end on Sunday, August 4, 2024. As a result, demand for the H Shares, and their market price, may fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the H Shares. As a result, the price of the H Shares may be higher than the price that otherwise may exist in the open market. Any stabilizing action taken by the Stabilizing Manager, or any person acting for it, may not necessarily result in the market price of the H Shares staying at or above the Offer Price either during or after the stabilizing period. Bids for or market purchases of the H Shares by the Stabilizing Manager, any person acting for it, may be made at a price at or below the Offer Price and therefore at or below the price paid for the H Shares by purchasers. A public announcement in compliance with the Securities and Futures (Price Stabilizing) Rules will be made within seven days of the expiration of the stabilizing period.

In order to effect stabilization actions, the Stabilizing Manager will arrange cover of up to an aggregate of 654,840 H Shares, representing up to 15% of the initial Offer Shares, through delayed delivery arrangements with investors who have been allocated Offer Shares in the International Offering. The delayed delivery arrangements (if specifically agreed by an investor) relate only to the delay in the delivery of the Offer Shares to such investor and the

Offer Price for the Offer Shares allocated to such investor will be fully paid before the Listing Date. Both the size of such cover and the extent to which the Over-allotment Option can be exercised will depend on whether arrangements can be made with investors such that a sufficient number of H Shares can be delivered on a delayed basis. If no investor in the International Offering agrees to the delayed delivery arrangements, no stabilizing actions will be undertaken by the Stabilizing Manager and the Over-allotment Option will not be exercised.

Pricing of the Global Offering

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK$152.10 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Hong Kong Public Offering.

The Sole Overall Coordinator (for itself and on behalf of the Underwriters), may, where considered appropriate, based on the level of interest expressed by prospective professional and institutional investors during the book-building process, and with the consent of our Company, reduce the number of Offer Shares offered in the Global Offering and/or the Offer Price below that stated in this Prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, our Company will, as soon as practicable following the decision to make such a reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, publish on the website of the Hong Kong Stock Exchange and on the website of our Company notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price will be final and conclusive. Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental prospectus updating investors of the change in the number of Offer Shares being offered under the Global Offering and/or the Offer Price. The Global Offering must first be canceled and subsequently relaunched on FINI pursuant to the supplemental prospectus. Applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares being offered under the Global Offering and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the Global Offering statistics as currently set out in this Prospectus, and any other financial information which may change as a result of such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price will under no circumstances be set at a price that is not the Offer Price as stated in this Prospectus.

In the event of a reduction in the number of Offer Shares being offered under the Global Offering, the Sole Overall Coordinator may at its discretion reallocate the number of Offer Shares to be offered under the Hong Kong Public Offering and the International Offering, provided that the Hong Kong Offer Shares shall not be less than 10% of the total number of Offer Shares in the Global Offering. The International Offer Shares and the Hong Kong Offer Shares may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Overall Coordinator.

The indications of interest in the Global Offering, the results of applications and the basis of allotment of Offer Shares available under the Hong Kong Public Offering, are expected to be announced on Tuesday, July 9, 2024 and to be posted on the website of the Hong Kong Stock Exchange and on the website of our Company.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

Our Company expects to enter into the International Underwriting Agreement relating to the International Offering on or around Monday, July 8, 2024.

These underwriting arrangements, and the respective Underwriting Agreements, are summarized in the section headed "Underwriting" in this Prospectus.

Admission of the H Shares into CCASS

All necessary arrangements have been made enabling the H Shares to be admitted into CCASS.

If the Hong Kong Stock Exchange grants the listing of, and permission to deal in, the H Shares and our Company complies with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the H Shares on the Hong Kong Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Hong Kong Stock Exchange is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(i) the Listing Committee granting approval for the listing of, and permission to deal in, the H Shares to be issued pursuant to the Global Offering (including the additional Offer Shares which may be made available pursuant to the exercise of the Over-allotment Option);

(ii) the execution and delivery of the International Underwriting Agreement on or around Monday, July 8, 2024; and

(iii) the obligations of the Underwriters under each of the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Hong Kong Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the websites of the Stock Exchange and our Company on the next day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares" in this Prospectus. In the meantime, all application monies will be held in (a) separate bank account(s) with the receiving bank(s) or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

H Share certificates will only become valid evidence of title at 8:00 a.m. on Wednesday, July 10, 2024, **provided that** the Global Offering has become unconditional in all respects and the right of termination as described in the section headed "Underwriting – Underwriting Arrangements – Hong Kong Public Offering – Grounds for Termination" in this prospectus has not been exercised at or before that time.

DEALINGS IN THE H SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, July 10, 2024, it is expected that dealings in the H Shares on the Hong Kong Stock Exchange will commence at 9:00 a.m. on Wednesday, July 10, 2024.

The H Shares will be traded in board lots of 20 H Shares each and the stock code of the H Shares will be 2495.

IMPORTANT NOTICE TO INVESTORS
OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "HKEXnews > New Listings > New Listing Information" section, and our website at www.voicecomm.cn.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address *(for the* **White Form eIPO** service *only*).

Unless permitted by the Listing Rules or a waiver and/or consent has been granted by the Stock Exchange to us, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder or close associates; or
- are a Director, Supervisor or any of his/her close associates.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 am on Friday, June 28, 2024 and end at 12:00 noon on Friday, July 5, 2024 (Hong Kong time).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicants who would like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 am on Friday, June 28, 2024 to 11:30 a.m. on Friday, July 5, 2024, Hong Kong time. The latest time for completing full payment of application monies will be 12:00 noon on Friday, July 5, 2024, Hong Kong time.
HKSCC EIPO channel	Your broker or custodian who is a HKSCC Participant will submit an EIPO application on your behalf through HKSCC's FINI system in accordance with your instruction	Applicants who would not like to receive a physical H Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the HKSCC EIPO channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the electronic application instructions are given, you shall be deemed to have declared that only one set of electronic application instructions has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of electronic application instructions for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through HKSCC EIPO channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. HKID card; or
  - ii. National identification document; or
  - iii. Passport; and
- Identity document number

For Corporate Applicants

- Full name(s)[2] as shown on your identity document
- Identity document's issuing country or jurisdiction
- Identity document type, with order of priority:
  - i. LEI registration document; or
  - ii. Certificate of incorporation; or
  - iii. Business registration certificate; or
  - iv. Other equivalent document; and
- Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in Note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID card.

2. The applicant's full name as shown on their identity document must be used. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID card, the HKID number must be used when making an application to subscribe for shares in the Hong Kong Public Offering. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("CID") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4[1] in accordance with market practice.

[1] Subject to change, if the Company's Articles of Incorporation and applicable company law prescribe a lower cap.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through HKSCC EIPO channel, and making an application under a power of attorney, we and the Sole Overall Coordinator, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	20 H Shares
Permitted number of Hong Kong	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below.
Offer Shares for application and amount payable on application/successful allotment	:	The Offer Price is HK$152.10 per H Share. If you are applying through the HKSCC EIPO channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the HKSCC EIPO channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective maximum amount payable on application in full upon application for Hong Kong Offer Shares.

Shanghai Voicecomm Information Technology Co., Ltd.
(HK$ 152.10 per Hong Kong Offer Share)
NUMBER OF HONG KONG OFFER SHARES THAT MAY BE APPLIED FOR AND PAYMENTS

No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*	No. of Hong Kong Offer Shares applied for	Amount payable on application(2) *HK$*
20	3,072.67	400	61,453.57	6,000	921,803.57	80,000	12,290,714.28
40	6,145.35	500	76,816.96	7,000	1,075,437.51	90,000	13,827,053.56
60	9,218.04	600	92,180.36	8,000	1,229,071.43	100,000	15,363,392.86
80	12,290.72	700	107,543.75	9,000	1,382,705.35	120,000	18,436,071.42
100	15,363.39	800	122,907.14	10,000	1,536,339.29	140,000	21,508,749.99
120	18,436.07	900	138,270.54	20,000	3,072,678.56	160,000	24,581,428.55
140	21,508.74	1,000	153,633.93	30,000	4,609,017.85	180,000	27,654,107.14
160	24,581.43	2,000	307,267.86	40,000	6,145,357.15	218,280(1)	33,535,213.91
180	27,654.11	3,000	460,901.78	50,000	7,681,696.43		
200	30,726.79	4,000	614,535.71	60,000	9,218,035.71		
300	46,090.18	5,000	768,169.64	70,000	10,754,375.00		

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under the paragraph headed "– *A. Application for Hong Kong Offer Shares – 3. Information Required to Apply"* in this section. If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) HKSCC EIPO channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or HKSCC EIPO channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

6. Terms and Conditions of An Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or HKSCC EIPO channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorise us and/or the Sole Overall Coordinator, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the HKSCC EIPO channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the HKSCC EIPO channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Relevant Persons[2], the H Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the H Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under the paragraph headed "*– G. Personal Data – 3. Purposes*" and "*– G. Personal Data – 4. Transfer of personal data*" in this section;

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the H Share Registrar by way of publication of the results at the time and in the manner as specified in the paragraph headed "*– B. Publication of Results*" in this section;

(x) confirm that you are aware of the situations specified in the paragraph headed "*– C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares*" in this section;

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

[2] Relevant Persons would include the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering.

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by the Company, any of the directors, chief executives, substantial Shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholder(s) or existing shareholder(s) of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that we and the Sole Overall Coordinator will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving electronic application instructions to HKSCC directly or indirectly or through the application channel of the H Share Registrar or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving electronic application instructions to HKSCC and (2) you have due authority to give electronic application instructions on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO channel**:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. Tuesday, July 9, 2024 to 12:00 midnight Monday, July 15, 2024 (Hong Kong time)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.voicecomm.cn** which will provide links to the above mentioned websites of the H Share Registrar.	No later than 11:00 p.m. on Tuesday, July 9, 2024 (Hong Kong time)
Telephone	+852 2862 8555 – the allocation results telephone enquiry line provided by the H Share Registrar	between 9:00 a.m. and 6:00 p.m., from Wednesday, July 10, 2024 to Monday, July 15, 2024 (Hong Kong time) (excluding Saturday, Sunday and public holidays in Hong Kong)

For those applying through HKSCC EIPO channel, you may also check with your broker or custodian from 6:00 p.m. on Monday, July 8, 2024 (Hong Kong time).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Monday, July 8, 2024 (Hong Kong time) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the results of the Offer Price, the level of indications of interest in the Global Offer, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.voicecomm.cn** by no later than 11:00 p.m. on Tuesday, July 9, 2024 (Hong Kong time).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to Section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sole Overall Coordinator, the H Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to the paragraph headed "*– A. Application for Hong Kong Offer Shares – 5. Multiple Applications Prohibited*" in this section on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;

- the Underwriting Agreements do not become unconditional or are terminated;
- we or the Sole Overall Coordinator believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the receiving banks will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Share allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the H Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF H SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one H Share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the HKSCC EIPO channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

H Share certificates will only become valid evidence of title at 8:00 a.m. on Wednesday, July 10, 2024 (Hong Kong time), provided that the Global Offer has become unconditional and the right of termination described in the section headed "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of Share certificates or the Share certificates becoming valid do so entirely at their own risk.

The right is reserved to retain any Share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	HKSCC EIPO channel
Despatch/collection of H Share certificate[3]		
For physical share certificates of equal or over 100,000 Hong Kong Offer Shares issued under your own name	Collection in person from the H Share Registrar, Computershare Hong Kong Investor Services Limited at 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong **Time:** from 9:00 a.m. to 1:00 p.m. on Wednesday, July 10, 2024 (Hong Kong time) If you are an individual, you must not authorise any other person to collect for you. If you are a corporate applicant, your authorised representative must bear a letter of authorization from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the H Share Registrar. **Note:** If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk	H Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account No action by you is required

[3] Except in the event of a tropical cyclone warning signal number 8 or above, a black rainstorm warning and/or an "extreme conditions" announcement issued after a super typhoon in force in Hong Kong in the morning on Tuesday, July 9, 2024 rendering it impossible for the relevant share certificates to be dispatched to HKSCC in a timely manner, the Company shall procure the H Share Registrar to arrange for delivery of the supporting documents and share certificates in accordance with the contingency arrangements as agreed between them. You may refer to "– *E. Severe Weather Arrangements*" in this section.

	White Form eIPO service	HKSCC EIPO channel
For physical share certificates of less than 100,000 Hong Kong Offer Shares issued under your own name	Your H Share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk **Time:** Tuesday, July 9, 2024	
Refund mechanism for surplus application monies paid by you		
Date	Wednesday, July 10, 2024	Subject to the arrangement between you and your broker or custodian
Responsible party	H Share Registrar	Your broker or custodian
Application monies paid through single bank account	e-Refund payment instructions to your designated bank account	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it
Application monies paid through multiple bank accounts	Refund cheque(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk	

E. SEVERE WEATHER ARRANGEMENTS

The Opening and Closing of the Application Lists

The application lists will not open or close on Friday, July 5, 2024 if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- **Extreme Conditions**,

  (collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Friday, July 5, 2024.

Instead they will open between 11:45 a.m. and 12:00 noon and/or close at 12:00 noon on the next business day which does not have **Severe** Weather Signals in force at any time between 9:00 a.m. and 12:00 noon.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the listing date. Should there be any changes to the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.voicecomm.cn** of the revised timetable.

If a Severe Weather Signal is hoisted on Tuesday, July 9, 2024, the H Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Wednesday, July 10, 2024, and for physical share certificates of less than 100,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Tuesday, July 9, 2024 or on Wednesday, July 10, 2024.

If a Severe Weather Signal is hoisted on Wednesday, July 10, 2024, for physical share certificates of equal or over 100,000 Offer Shares issued under your own name, you may collect your share certificates from the H Share Registrar's office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Wednesday, July 10, 2024 or on Thursday, July 11, 2024.

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the share certificates.

F. ADMISSION OF THE H SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the H Share Registrar, the receiving banks and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the H Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the H Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the H Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the H Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the H Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and White Form e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;

- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and
- any other incidental or associated purposes relating to the above and/or to enable the Company and the H Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the H Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the H Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisers, receiving banks and overseas principal share registrar;
- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the H Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the H Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the H Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfil the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the H Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the H Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the H Share Registrar, at their registered address disclosed in the section headed "Corporate information" in this prospectus or as notified from time to time, for the attention of the company secretary, or the H Share Registrar for the attention of the privacy compliance officer.

The following is the text of a report set out on pages I-1 to I-88, received from the Company's reporting accountants, KPMG, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

KPMG

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF 上海聲通信息科技股份有限公司 SHANGHAI VOICECOMM INFORMATION TECHNOLOGY CO., LTD.* AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of 上海聲通信息科技股份有限公司 Shanghai Voicecomm Information Technology Co., Ltd.* (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-88, which comprises the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2021, 2022 and 2023, and the consolidated statements of profit or loss, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows, for each of the years ended 31 December 2021, 2022 and 2023 (the "Track Record Periods"), and material accounting policies information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-88 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 28 June 2024 (the "Prospectus") in connection with the initial listing of 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 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 the Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. ("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.

* *For identification purpose only.*

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purpose of the accountants' report, a true and fair view of the Company's and the Group's financial position as at 31 December 2021, 2022 and 2023 and of the Group's financial performance and cash flows for the Track Record Periods in accordance with the basis of preparation and presentation set out in Note 1 to the Historical Financial Information.

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-4 have been made.

Dividends

We refer to Note 29(b) to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Periods.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 June 2024

HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The consolidated financial statements of the Group for the Track Record Periods, on which the Historical Financial Information is based, were audited by KPMG Huazhen LLP Shanghai Branch (畢馬威華振會計師事務所(特殊普通合夥)上海分所) in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(Expressed in RMB)

	Note	Year ended 31 December		
		2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Revenue	4	459,935	514,992	813,017
Cost of revenue		(307,773)	(313,526)	(487,600)
Gross Profit		152,162	201,466	325,417
Other revenue	5(a)	7,692	11,016	27,226
Other net gain/(loss)	5(b)	200	(16)	(25)
Research and development expenses		(36,310)	(63,983)	(98,798)
Selling and marketing expenses		(3,162)	(7,249)	(10,347)
Administrative and other operating expenses		(24,552)	(31,486)	(58,499)
Impairment loss on trade receivables		(17,444)	(42,562)	(55,379)
Profit from operations		78,586	67,186	129,595
Net finance costs	6(a)	(8,183)	(9,034)	(11,696)
Changes in carrying amount of redeemable capital contributions	26	(25,950)	(157,504)	(146,892)
Changes in fair value of financial assets measured at fair value through profit or loss	18	–	8,337	258
Share of (loss)/gain of associates	16	(22)	131	(20)
Profit/(loss) before taxation	6	44,431	(90,884)	(28,755)
Income tax	7	(8,047)	5,073	(446)
Profit/(loss) for the year		36,384	(85,811)	(29,201)
Attributable to				
Equity shareholders of the Company		36,895	(87,155)	(33,754)
Non-controlling interests		(511)	1,344	4,553
Profit/(loss) for the year		36,384	(85,811)	(29,201)
Earnings/(loss) per share				
Basic and diluted (RMB)	10	1.61	(3.33)	(1.13)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Expressed in RMB)

	Note	Year ended 31 December 2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) for the year		36,384	(85,811)	(29,201)
Other comprehensive income for the year (after tax and reclassification adjustments)				
Item that will not be reclassified to profit or loss:				
Equity investments at FVOCI – net movement in fair value reserves (non-recycling)	*17*	(84)	37	180
Other comprehensive income for the year		(84)	37	180
Total comprehensive income for the year		36,300	(85,774)	(29,021)
Attributable to:				
Equity shareholders of the Company		36,811	(87,118)	(33,574)
Non-controlling interests		(511)	1,344	4,553
Total comprehensive income for the year		36,300	(85,774)	(29,021)

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in RMB)

		As at 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	*11*	4,973	64,530	96,647
Right-of-use assets	*12*	7,702	10,694	14,616
Intangible assets	*13*	24,236	110,950	110,682
Goodwill	*15*	17,111	39,168	39,168
Interests in associates	*16*	360	2,041	230
Equity securities designated at fair value through other comprehensive income (FVOCI)	*17*	516	560	771
Financial assets measured at fair value through profit or loss (FVPL)	*18*	20,000	28,337	28,595
Prepayments	*20*	72,909	34,360	179,956
Deferred tax assets	*27(b)*	5,184	10,038	18,399
		152,991	300,678	489,064
Current assets				
Inventories and other contract costs	*19*	112,475	95,269	7,653
Trade and other receivables	*20*	242,812	339,674	602,705
Prepayments	*20*	95,296	139,219	233,834
Cash	*21(a)*	10,641	20,434	46,876
		461,224	594,596	891,068
Current liabilities				
Trade and other payables	*22*	46,518	59,433	43,389
Contract liabilities	*23*	26,732	31,127	97,423
Bank loans and other borrowings	*24*	150,663	211,650	342,000
Lease liabilities	*25*	2,302	4,128	8,115
Taxation payable	*27(a)*	2,897	2,890	3,169
Redeemable capital contributions	*26*	265,666	527,970	852,912
		494,778	837,198	1,347,008
Net current liabilities		(33,554)	(242,602)	(455,940)
Total assets less current liabilities		119,437	58,076	33,124

The accompanying notes form part of the Historical Financial Information.

	Note	As at 31 December 2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Bank loans and other borrowings	*24*	–	10,000	10,000
Lease liabilities	*25*	6,614	8,589	10,684
Deferred tax liabilities	*27(b)*	2,016	3,973	2,832
Deferred income	*28*	1,047	871	2,036
		9,677	23,433	25,552
NET ASSETS		109,760	34,643	7,572
CAPITAL AND RESERVES				
Share capital	*29*	25,670	28,290	31,059
Reserves	*29*	81,389	(8,349)	(42,742)
Total equity/(deficit) attributable to equity shareholders of the Company		107,059	19,941	(11,683)
Non-controlling interests		2,701	14,702	19,255
TOTAL EQUITY		109,760	34,643	7,572

The accompanying notes form part of the Historical Financial Information.

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

(Expressed in RMB)

		As at 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Non-current assets				
Property and equipment	*11*	4,963	57,356	84,843
Right-of-use assets	*12*	6,300	4,764	4,962
Intangible assets	*13*	11,703	61,731	70,994
Interests in subsidiaries	*14*	38,106	66,766	74,439
Interests in associates	*16*	360	2,041	230
Equity securities designated at fair value through other comprehensive income (FVOCI)	*17*	516	560	771
Financial assets measured at fair value through profit or loss (FVPL)	*18*	20,000	28,337	28,595
Prepayments	*20*	52,333	20,396	163,086
Deferred tax assets	*27(b)*	4,803	7,005	5,211
		139,084	248,956	433,131
Current assets				
Inventories and other contract costs	*19*	108,172	90,965	6,164
Trade and other receivables	*20*	243,747	362,625	637,334
Prepayments	*20*	94,259	139,201	226,537
Cash	*21(a)*	10,289	14,320	38,364
		456,467	607,111	908,399
Current liabilities				
Trade and other payables	*22*	42,001	53,539	33,901
Contract liabilities	*23*	26,732	31,127	96,941
Bank loans and other borrowings	*24*	150,663	211,650	340,000
Lease liabilities	*25*	1,565	1,631	1,752
Taxation payable		–	–	195
Redeemable capital contributions	*26*	265,666	527,970	852,912
		486,627	825,917	1,325,701
Net current liabilities		(30,160)	(218,806)	(417,302)
Total assets less current liabilities		108,924	30,150	15,829

The accompanying notes form part of the Historical Financial Information.

	Note	As at 31 December 2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Non-current liabilities				
Lease liabilities	*25*	5,566	3,935	3,983
Deferred income	*28*	1,047	871	2,036
		6,613	4,806	6,019
NET ASSETS		102,311	25,344	9,810
CAPITAL AND RESERVES				
Share capital	*29*	25,670	28,290	31,059
Reserves		76,641	(2,946)	(21,249)
TOTAL EQUITY		102,311	25,344	9,810

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 Group							
	Note	Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total	Non-controlling interests	Total equity
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021		22,160	(4,819)	5,343	98	47,466	70,248	51	70,299
Changes in equity for 2021									
Profit/(loss) for the year		–	–	–	–	36,895	36,895	(511)	36,384
Other comprehensive income for the year		–	–	–	(84)	–	(84)	–	(84)
Total comprehensive income for the year		–	–	–	(84)	36,895	36,811	(511)	36,300
Non-controlling interests arising from business combination	*34*	–	–	–	–	–	–	3,161	3,161
Issue of ordinary shares	*29(c)*	3,510	136,890	–	–	–	140,400	–	140,400
Recognition of redeemable capital contributions as current liabilities	*26*	–	(140,400)	–	–	–	(140,400)	–	(140,400)
Appropriation for surplus reserve		–	–	3,152	–	(3,152)	–	–	–
Balance at 31 December 2021		25,670	(8,329)	8,495	14	81,209	107,059	2,701	109,760

The accompanying notes form part of the Historical Financial Information.

	Note	Attributable to equity shareholders of the Group						Non-controlling interests	Total equity
		Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings	Total		
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 31 December 2021 and 1 January 2022		25,670	(8,329)	8,495	14	81,209	107,059	2,701	109,760
Changes in equity for 2022									
(Loss)/profit for the year		–	–	–	–	(87,155)	(87,155)	1,344	(85,811)
Other comprehensive income		–	–	–	37	–	37	–	37
Total comprehensive income for the year		–	–	–	37	(87,155)	(87,118)	1,344	(85,774)
Non-controlling interests arising from business combination	*34*	–	–	–	–	–	–	5,757	5,757
Capital contribution from non-controlling interests		–	–	–	–	–	–	4,900	4,900
Issue of ordinary shares	*29(c)*	2,620	102,180	–	–	–	104,800	–	104,800
Recognition of redeemable capital contributions as current liabilities	*26*	–	(104,800)	–	–	–	(104,800)	–	(104,800)
Balance at 31 December 2022		28,290	(10,949)	8,495	51	(5,946)	19,941	14,702	34,643
Balance at 31 December 2022 and 1 January 2023		28,290	(10,949)	8,495	51	(5,946)	19,941	14,702	34,643
(Loss)/profit for the year		–	–	–	–	(33,754)	(33,754)	4,553	(29,201)
Other comprehensive income		–	–	–	180	–	180	–	180
Total comprehensive income for the year		–	–	–	180	(33,754)	(33,574)	4,553	(29,021)
Issue of ordinary shares	*29(c)*	2,769	177,231	–	–	–	180,000	–	180,000
Recognition of redeemable capital contributions as current liabilities	*26*	–	(178,050)	–	–	–	(178,050)	–	(178,050)
Balance at 31 December 2023		31,059	(11,768)	8,495	231	(39,700)	(11,683)	19,255	7,572

The accompanying notes form part of the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in RMB)

		Years ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Operating activities				
Cash used in operations	*21(b)*	(58,750)	(23,234)	(66,615)
Tax paid	*27(a)*	(16,328)	(7,880)	(1,454)
Net cash used in operating activities		(75,078)	(31,114)	(68,069)
Investing activities				
Payment for the acquisition of property and equipment		(56,579)	(19,810)	(151,112)
Payment for the acquisition of intangible assets		(13,093)	(102,593)	(31,802)
Acquisition of subsidiary, net of cash acquired	*21(e)*	(20,400)	(16,755)	(3,295)
Payment for investment in financial assets measured at FVPL		(20,000)	–	–
Proceeds from disposal of interests in an associate		2,200	–	2,000
Payment for investments in interests in associates		(300)	(1,550)	(250)
Interest received from bank deposits		30	31	73
Net cash used in investing activities		(108,142)	(140,677)	(184,386)

The accompanying notes form part of the Historical Financial Information.

	Note	Years ended 31 December 2021	2022	2023
		RMB'000	*RMB'000*	*RMB'000*
Financing activities				
Proceeds from bank loans and other borrowings	*21(c)*	147,161	193,666	312,000
Repayment of bank loans and other borrowings	*21(c)*	(94,499)	(122,679)	(181,650)
Proceeds from related parties loans	*21(c)*	5,000	–	–
Repayment of related parties loans	*21(c)*	(2,000)	(3,000)	–
Proceeds from non-controlling interests shareholder	*21(c)*	–	4,900	–
Interest element of lease rentals paid	*21(c)*	(374)	(403)	(637)
Capital element of lease rentals paid	*21(c)*	(1,130)	(1,444)	(1,958)
Proceeds from redeemable capital contributions	*21(c)*	140,400	104,800	161,295
Payment for capitalization of listing expenses	*21(c)*	–	–	(971)
Capital contribution from investors	*21(c)*	–	16,755	1,950
Interest paid	*21(c)*	(7,839)	(11,011)	(11,132)
Net cash generated from financing activities		186,719	181,584	278,897
Net increase in cash		3,499	9,793	26,442
Cash at the beginning of the year	*21(a)*	7,142	10,641	20,434
Cash at the end of the year	*21(a)*	10,641	20,434	46,876

The accompanying notes form part of the Historical Financial Information.

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai Voicecomm Information Technology Co., Ltd. (the "Company") was incorporated in the People's Republic of China (the "PRC") on 5 December 2005 as a limited liability company under the Company Law of the PRC, with its registered office at Unit 418, Building 2, No. 508, Chundong Road, Minhang District, Shanghai. Upon approval by the Company's board meeting held on 26 April 2015, the Company was converted from a limited liability company into a joint stock limited liability company.

The Company and its subsidiaries (collectively referred to as "the Group") are principally engaged in the provision of enterprise-level solutions including audio and video communication hardware and software to enterprise customers. The Group's principal operations and geographic markets are in the People's Republic of China ("PRC"). The information of the subsidiaries is set out in Note 14.

The Historical Financial Information has been prepared assuming the Group will continue as a going concern notwithstanding that the Group recorded net current liabilities of RMB455,940,000 as at 31 December 2023, which is primarily due to redeemable capital contributions totaling RMB852,912,000 are classified as current liabilities (see Note 26). As at 31 December 2023, certain conditions associated with redemption rights attributable to the investors in Series A, Series B, Series B+ and Series C Financing (as defined and detailed in Note 26 were met, based on the IPO filling schedule, the directors of the Company are of the opinion that the holders of pre-IPO Investments (as defined in Note 2(p)) will not request the Company to redeem these investments within the next twelve months from 31 December 2023 and the related redemption options would be terminated and the financial instruments issued to investors would be converted into equity upon the qualified initial public offering of the Company's shares on the Stock Exchange. Taken the above into consideration, and together with cashflow forecast for the twelve months ending 31 December 2024 prepared by management of the Group, the directors of the Company are of the opinion that the Group will have sufficient working capital, to meet its financial liabilities and obligations as and when they fall due and to sustain its operations for the next 12 months from 31 December 2023.

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs") which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations issued by the International Accounting Standards Board ("IASB"). Further details of the material accounting policies information are set out in Note 2.

The IASB has issued a number of new and revised IFRSs. For the purpose of preparing this Historical Financial Information, the Group has adopted all applicable new and revised IFRSs to the Track Record Periods, expect for any new standards or interpretations that are not yet effective for the Track Record Periods. The revised and new accounting standards and interpretations issued but not yet effective for the Track Record Periods are set out in Note 36.

The Historical Financial Information also complies with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The accounting policies set out below have been applied consistently to all periods presented in the Historical Financial Information.

The Historical Financial Information is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand yuan (RMB'000) except when otherwise indicated.

2 MATERIAL ACCOUNTING POLICIES INFORMATION

(a) Basis of measurement

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– investments in debt and equity securities (see Note 2(f)).

(b) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs 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 unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests ("NCI") either at fair value or at the NCI's proportionate share of the subsidiary's net identifiable assets.

NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the Company. 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) or 2(r) 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 recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see Note 2(j)(ii)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(d) Associates

An associate is an entity in which the Group or the company has significant influence, but not control or joint control, over the financial and operating policies.

An interest in an associate is accounted for using the equity method, unless it is classified as held for sale (or included in a disposal group classified as held for sale). They are initially recognised at cost, which includes transaction costs. Subsequently, the consolidated 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 ceases.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate, after applying the ECL model to such other long-term interests where applicable (see Note 2(j)(i)).

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no evidence of impairment.

In the company's statement of financial position, an investment in an associate is stated at cost less impairment losses (see Note 2(j)), unless it is classified as held for sale (or included in a disposal group classified as held for sale).

(e) Goodwill

Goodwill arising on acquisition of businesses is measured at cost less accumulated impairment losses and is tested annually for impairment (see Note 2(j)(ii)).

(f) Other investments in securities

The Group's policies for investments in securities, other than investments in subsidiaries and associates, are set out below:

Investments in securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at FVPL for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see Note 30. These investments are subsequently accounted for as follows, depending on their classification.

(i) Non-equity investments

Non-equity investments are classified into one of the following measurement categories:

– Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Expected credit losses, interest income calculated using the effective interest method (see Note 2(w)), foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

– FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses are recognised in profit or loss and computed in the same manner as if the financial asset was measured at amortised cost. The difference between the fair value and the amortised cost is recognised in OCI. When the investment is derecognised, the amount accumulated in OCI is recycled from equity to profit or loss.

– FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the investment is not held for trading purposes and on initial recognition the Group makes an irrevocable election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in OCI. Such elections are made on an instrument-by-instrument basis but may only be made if the investment meets the definition of equity from the issuer's perspective. If such election is made, for a particular investment, at the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings and not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(g) Property and equipment

The following items of property and equipment are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses (see Note 2(j)):

– right-of-use assets arising from leasehold properties where the group is not the registered owner of the property interest; and

– items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see Note 2(i)).

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property and equipment, less their estimated residual values, if any, using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

Electronic equipment	3 years
Furniture	5 years
Servers	5 years
Vehicles	4 years
Leasehold improvements	Shorter of estimated useful life and remaining lease terms
Right-of-use assets	Over the lease term

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress represents properties under construction and machinery and equipment pending installation and is stated at cost less impairment losses (see Note 2(j)(ii)). Cost comprises the purchase costs of the asset and the related construction and installation costs.

Construction in progress is transferred to property and equipment when the asset is substantially ready for its intended use and depreciation will be provided at the appropriate rates in accordance with the depreciation policies specified above.

No depreciation is provided in respect of construction in progress.

(h) Intangible assets (other than goodwill)

Intangible assets (other than goodwill) that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses (see Note 2(j)(ii)).

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, if any, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follow:

Software	5 years
Patents	8 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(i) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. This is the case if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

Where the contract contains lease components and non-lease components, the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for leases that have a short lease term of 12 months or less, and leases of low-value items. When the Group enters into a lease in respect of a low-value item, the Group decides whether to capitalise the lease on a lease-by-lease basis. If not capitalized, the associated lease payments are recognised in profit or loss on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is 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 recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, and 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 Note 2(j)(ii)).

Refundable rental deposits are accounted for separately from the right-of-use assets in accordance with the accounting policy applicable to investments in non-equity securities carried at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a lease modification, which means a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract, if such modification is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are rent concessions that occurred as a direct consequence of the COVID-19 pandemic and met the conditions set out in paragraph 46B of IFRS 16 *Leases*. In such cases, the Group has taken advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative variable lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(j) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECL"s) on:

– financial assets measured at amortised cost (including cash, trade receivables and other receivables, which are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between contractual and expected amounts.

The expected cash shortfalls are discounted using the following rates if the effect is material:

– fixed-rate financial assets and 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 the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

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 dates.

The Group considers a financial asset to be in default when:

– the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

– the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in non-equity securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in OCI and accumulated in the fair value reserve (recycling) does not reduce the carrying amount of the financial asset in the statement of financial position.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

– significant financial difficulties of the debtor;

– a breach of contract, such as a default or being more than 90 days past due;

– the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

– it is probable that the debtor will enter bankruptcy or other financial reorganisation; or

– the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery. This is generally the case when the Group otherwise determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than property carried at revalued amounts, investment property, inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. 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 recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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 amortisation, if no impairment loss had been recognised.

(k) Inventory and other contract costs

(i) Inventories

Inventories are electronic manufacturing which is measured at the lower of cost and net realizable.

Cost is calculated using the specific identification method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Other contract costs

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see Note 2(k)(i)), property, plant and equipment (see Note 2(g)) or intangible assets (see Note 2(h)).

Incremental costs of obtaining a contract, e.g. sales commissions, are capitalised if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Otherwise, costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Amortisation of capitalised contract costs is recognised in profit or loss when the revenue to which the asset relates is recognised (see Note 2(v)).

(l) Contract liabilities

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see Note 2(v)). A contract liability is also recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such latter cases, a corresponding receivable would is also recognised (see Note 2(m)).

(m) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration and only the passage of time is required before payment of that consideration is due.

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. Trade receivables that contain a significant financing component and other receivables are initially measured at fair value plus transaction costs. All receivables are subsequently stated at amortised cost (see Note 2(j)(i)).

(n) Cash

Cash comprise cash at bank and on hand 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. Cash are assessed for ECL (see Note 2(j)(i)).

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequently to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(p) Redeemable capital contribution

The Company entered into a series of investment agreements with certain independent investors, pursuant to which, these investors agreed to make cash investments to the Company to acquire the equity interest of the Company (collectively referred as "Series A, Series B, Series B+ and Series C Financing").

Capital contributions from the Series A, Series B, Series B+ and Series C Financing are classified as financial liabilities or equity in accordance with the substance of the share purchase agreement and the definitions of a financial liability and an equity instrument.

Capital contributions from the Series A, Series B, Series B+ and Series C Financing are classified as equity if they are nonredeemable by the Company or redeemable only at the Company's option. Dividends on capital contributions from the Series A, Series B and Series B+ Financing classified as equity are recognized as distributions within equity.

The Company recognized the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation, on a present value basis, which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in carrying amount of redeemable capital contributions".

Capital Contribution are classified as non-current liabilities or current liabilities depending on whether the Capital Contribution can demand the Company to redeem the Preferred Shares for cash at least 12 months after the end of the reporting period or not.

(q) Research and development costs

Research and development costs comprise all expenses that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Research and development costs are recognized as expenses in the period in which they are incurred.

(r) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequently, these borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with Note 2(z).

(s) Employee benefits

Short-term employee benefits and contributions to defined contribution retirement plans.

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Obligations for contributions to defined contribution retirement plans are expensed as the related service is provided.

Contributions to local retirement schemes pursuant to the relevant labor rules and regulations in the jurisdictions in which the Group's subsidiaries located are recognized as an expense in profit or loss as incurred.

(t) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised in directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

– temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;

– temporary differences related to investments in subsidiaries 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 recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(u) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under that contract and an allocation of other costs directly related to fulfilling that contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract (see note 2(j)(ii)).

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(v) Revenue recognition

Revenue arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer. For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress toward complete satisfaction of that performance obligation. If the Group does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue is allocated to each performance obligation based on its standalone selling price. The Group generally determines standalone selling prices based on observable prices. If the standalone selling price is not observable through past transactions, the Group estimates the standalone selling price based on multiple factors, including, but not limited to management approved price list or cost-plus margin analysis.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. The Group takes advantage of the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

The Group generates substantially all of the revenues from the following services and products:

- Enterprise-level solutions;
- Other services primarily include promotion service.

The Group's enterprise-level solutions are offered either on software platform or solutions come with functionalities and interfacing capabilities tailored to customers' operation environment integrated with communication devices or other hardware and other service and software license. The Group determines that such contracts typically comprise one single performance obligation. Revenues are recognised at a point in time upon customer's acceptance of the respective solutions or products, which is when the control over the Group's goods or services is transferred to customers.

The maintenance services are provided to customers for a fixed amount over the service period, usually within one year. The Group recognizes revenues from maintenance services over the period when the services were provided, since customers simultaneously receive and consume the benefit of the services. The Group uses straight-line method to recognize revenue rateably over the service period. The other services provided to customers are recognised based on usage over the period.

The Group recognises enterprise-level solutions revenue on a gross basis because the Group is the principal and controls the hardware to be provided to the customer before the hardware is transferred to that customer. In addition, the Group is primarily responsible for fulfilling the promise to provide the hardware and has discretion in establishing the price for the hardware.

(w) Interest income

Interest income is recognised using the effective interest method. The "effective interest rate" is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired). However, for financial assets that have become credit-impaired, subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(x) Government grants

Government grants are recognised in the consolidated statements of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset by way of being recognised in other income.

(y) Translation of foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss.

The income and expenses of foreign operations are translated into RMB at the exchange rates at the dates of the transactions.

(z) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(aa) 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.

(bb) 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 MATERIAL ACCOUNTING JUDGEMENT AND ESTIMATES

(a) Material accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management made the following accounting judgement:

Determining whether the Group is acting as a principal or as an agent in the sales of goods on the Group's platform requires judgement and consideration of all relevant facts and circumstances. In evaluation of the Group acting as a principal or an agent, the Group considers, individually or in combination whether the Group is primarily responsible for fulfilment the contract, is subject to the inventory risk, has discretion to establish prices. Having considered the relevant facts and circumstances, the directors consider that the Group obtains control of those goods sold in commerce business before the goods are transferred to the customers. Accordingly, the Group is acting as a principal for the merchandise sales and the related revenue is presented on a gross basis.

(b) Source of estimation uncertainty

Notes 18 and 30(e) contain information about the assumptions and their risk factors relating to valuation of fair value of financial assets. Other significant sources of estimation uncertainty are as follows:

(i) Fair value measurement of financial instruments using valuation techniques

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The valuation techniques include discounted cash flow model, market comparable model, adjusted recent transaction price and so on. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 30(e). The use of different valuation techniques or inputs may result in significant differences in fair value estimate. The fair value generated by valuation technique is also verified with transactions of same or similar financial instruments in observable markets according to market practice.

(ii) Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each of the Track Record Periods. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note 15.

(iv) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(v) Loss allowance for expected credit losses

The Group estimates the amount of loss allowance for ECLs on trade and other receivables that are measured at amortized cost based on the credit risk of the respective financial instruments. The loss allowance amount is measured as the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit loss of the respective financial instrument. The assessment of the credit risk of the respective financial instrument involves high degree of estimation and uncertainty. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

4 REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are provision of on-premised integrated enterprise-level solutions including software license, hardware and services. All of the Group's revenues from contracts with customers within the scope of IFRS 15.

The Group's revenues are disaggregated by timing of revenue recognition and geographic information as follows:

(i) Disaggregation of revenue from contracts with customers by major business lines of revenue recognition

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Revenue from contracts with customers within the scope of IFRS 15			
Enterprise-level solutions	456,871	491,641	801,060
Others	3,064	23,351	11,957
	459,935	514,992	813,017

(ii) ***Disaggregation of revenue from contracts with customers by the timing of revenue recognition***

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Disaggregated by timing of revenue recognition			
Revenue over time	120,809	135,231	123,524
Revenue at a point in time	339,126	379,761	689,493
	459,935	514,992	813,017

(iii) ***Information about major customers***

The Group's customer includes two, one and nil customers with whom transactions have exceeded 10% of the Group's revenues of each of the years ended 31 December 2021, 2022 and 2023 respectively. Revenue from these customers during the Track Record Periods are set out below:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Customer A	53,825	62,982	N/A*
Customer B	58,543	N/A*	N/A*

* Less than 10% of the Group's revenue in the respective year.

(iv) ***Revenue expected to be recognized in the future arising from contracts with customers in existence at the reporting date***

As at 31 December 2021, 2022 and 2023, the Group has applied the practical expedient in paragraph 121 of IFRS 15 to its sales contracts for goods such that information about revenue expected to be recognized in the future is not disclosed in respect of revenue that the Group will be entitled to when it satisfies the remaining performance obligations under these contracts that had an expected duration of one year or less.

(b) Segment reporting

IFRS 8, Operating Segments, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment during the Track Record Periods.

(c) Geographic information

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the solution or services were accepted.

	Revenues from external customers		
	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Chinese Mainland	459,935	514,992	807,017
Other countries	–	–	6,000
	459,935	514,992	813,017

5 OTHER REVENUE AND OTHER NET GAIN

(a) Other revenue

	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Government grants	7,692	11,016	27,226

During the years ended 31 December 2021, 2022 and 2023, the Group received unconditional government grants of RMB7,273,000, RMB10,840,000, and RMB27,084,000, respectively, as rewards of the Group's contribution to technology innovation and regional economic development.

During the years ended 31 December 2021, 2022 and 2023, the Group received conditional government grants of RMB1,466,000, RMB nil, and RMB1,440,000, respectively, as encouragement of project development. The Group recognized such type of grants of RMB419,000, RMB176,000, and RMB142,000, respectively, in the consolidated statements of profit or loss when related conditions were satisfied.

(b) Other net gain/(loss)

	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Net gain/(loss) on disposal of an associate	200	–	(41)
Net (loss)/gain on disposal of property and equipment and right-of-use assets	–	(16)	(16)
	200	(16)	(25)

6 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging/(crediting):

(a) Net finance costs

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Interest income from bank deposits	(30)	(31)	(73)
Finance income	(30)	(31)	(73)
Interest on bank loans and other borrowings *(Note 21(c))*	7,839	8,532	11,132
Interest on borrowings from related parties *(Note 21(c))*	–	130	–
Interest on lease liabilities *(Note 21(c))*	374	403	637
Finance costs	8,213	9,065	11,769
	8,183	9,034	11,696

(b) Staff costs

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, wages and other benefits	27,602	44,747	63,380
Contributions to defined contribution retirement plan	2,325	4,219	6,431
	29,927	48,966	69,811

(c) Other items

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cost of inventories *(Note 19)*	180,719	162,735	302,493
Depreciation charge			
– property and equipment *(Note 11)*	626	1,565	1,801
– right-of-use assets *(Note 12)*	1,736	2,253	4,148
Amortisation of intangible assets *(Note 13)*	1,472	14,096	24,578
Auditors' remuneration	75	71	52
Listing expenses	–	4,575	15,934

7 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(a) Taxation in the consolidated statements of profit or loss represents:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current tax			
Provision for the year	11,042	81	10,354
(Over)-provision in respect of prior years	–	–	(375)
	11,042	81	9,979
Deferred tax			
Origination and reversal of temporary differences *(Note 27(b))*	(2,995)	(5,154)	(9,533)
Total	8,047	(5,073)	446

Note: The Company and subsidiaries were all incorporated in PRC. The Company and subsidiaries are subject to the PRC Corporate Income Tax Law ("CIT Law") at the statutory income tax rate of 25%, except for following specified:

According to the Administrative Measures for Determination of High-Tech Enterprises (Guokefahuo [2016] No. 32), the Company obtained the qualification as high-technology enterprise and was entitled to a preferential income tax rate of 15% from the years from 2021 to 2024.

According to Caishui [2019] No. 13, "The Announcement of Implementation on Inclusive Tax Relief Policy of Small-scaled Minimal Profit Enterprise" issued by Ministry of Finance of the PRC and National Tax Bureau on 17 January 2019, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20%; the small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment of 50% exemption of taxable income and application of income tax rate as 20%, from 1 January 2019 to 31 December 2021.

According to Announcement [2021] No. 12, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 2 April 2021, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 87.5% exemption of taxable income and application of income tax rate as 20% from 1 January 2021 to 31 December 2022.

According to Announcement [2023] No. 6, "The Announcement of Implementation of Income Tax Incentives for Micro and Small Enterprises and Individually-owned Businesses" issued by Ministry of Finance of the PRC and National Tax Bureau on 26 March 2023, the small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 75% exemption of taxable income and application of income tax rate as 20% from 1 January 2023 to 31 December 2023.

Certain subsidiaries in the Group meet the conditions as small-scaled minimal profit enterprise were qualified for the entitlement of such preferential tax treatment during the Track Record Periods.

Under the PRC Income Tax Law and its relevant regulations, 75% additional tax deduction is allowed for qualified research and development costs for the years ended 31 December 2020, 2021 and during the period from 1 January 2022 to 30 September 2022.

According to Announcement [2022] No.28 of the Ministry of Finance, the State Taxation Administration and the Ministry of Science and Technology, High-tech enterprises are allowed to deduct the full amount of equipment and appliances newly purchased during the period from 1 October 2022 to 31 December 2022 from the taxable income amount on a one-off basis in the current year and allowed to conduct 100% additional tax deduction before tax. For the enterprises entitled to the current additional tax deduction ratio of 75% for research and development expenses, such ratio is raised to 100% during the period from 1 October 2022 to 31 December 2022.

According to Announcement [2023] No. 7 of the Ministry of Finance and the State Taxation Administration, the enterprises entitled to the current additional tax deduction ratio of 100% for research and development expenses during the period from 1 January 2023 to 31 December 2023.

(b) Reconciliation between actual income tax expense/(benefit) and accounting profit/(loss) at applicable tax rates:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before taxation	44,431	(90,884)	(28,755)
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	11,108	(22,721)	(7,189)
Effect of preferential tax rate	(3,717)	7,557	(1,238)
Super-deduction of research and development expenses	(4,422)	(7,822)	(14,561)
Tax effect of non-deductible expenses	54	69	291
Effect of utilisation of deductible losses previously not recognised	–	–	(526)
Tax effect of changes in the carrying amount of redeemable capital contributions	3,892	23,626	22,034
Super-deduction of acquisition of property and equipment	–	(7,717)	–
Tax effect of deductible temporary differences or deductible losses not recognized	1,132	1,935	2,078
Effect on deferred tax balances at 1 January resulting from a change in tax rate	–	–	(68)
(Over)-provision in respect of prior years	–	–	(375)
Actual tax expense/(benefit)	8,047	(5,073)	446

8 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	For the year ended 31 December 2021					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Termination benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Jinghua Tang	–	1,264	254	36	–	1,554
Qi Sun	–	1,264	254	36	–	1,554
Non-Executive directors						
Xiaoyuan Yang	71	–	–	–	–	71
Xiaobo Tan	–	–	–	–	–	–
Fenggao Zhao (resigned on 28 April 2021)	–	–	–	–	–	–
Bin Cao (resigned on 28 April 2021)	–	–	–	–	–	–
Yulei Chen (appointed on 8 May 2021)	–	–	–	–	–	–
Tiantian Ma (appointed on 8 May 2021)	–	–	–	–	–	–
Independent directors						
Rong Liu	60	–	–	–	–	60
Binrui Mou (appointed on 3 November 2021)	10	–	–	–	–	10
Haipeng Wu (appointed on 30 June 2021)	35	–	–	–	–	35
Supervisors						
Dong Xiao	–	249	–	25	–	274
Yongzheng Wu	–	181	–	28	–	209
Xiaodi Xu	–	167	–	14	–	181
	176	3,125	508	139	–	3,948

	For the year ended 31 December 2022					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Termination benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Jinghua Tang	–	1,948	–	63	–	2,011
Qi Sun	–	1,948	–	63	–	2,011
Non-Executive directors						
Xiaoyuan Yang	72	–	–	–	–	72
Xiaobo Tan	–	–	–	–	–	–
Yulei Chen	–	–	–	–	–	–
Tiantian Ma	–	–	–	–	–	–
Independent directors						
Rong Liu	73	–	–	–	–	73
Binrui Mou	73	–	–	–	–	73
Haipeng Wu	73	–	–	–	–	73

	For the year ended 31 December 2022					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Termination benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Supervisors						
Dong Xiao	–	344	–	21	–	365
Yongzheng Wu	–	221	–	31	–	252
Xiaodi Xu	–	215	–	27	–	242
	291	4,676	–	205	–	5,172

	For the year ended 31 December 2023					
	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Termination benefits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors						
Jinghua Tang	–	2,029	–	68	–	2,097
Qi Sun	–	2,034	–	68	–	2,102
Non-Executive directors						
Xiaoyuan Yang	73	–	–	–	–	73
Xiaobo Tan	–	–	–	–	–	–
Yulei Chen	–	–	–	–	–	–
Tiantian Ma	–	–	–	–	–	–
Independent directors						
Rong Liu	72	–	–	–	–	72
Binrui Mou	72	–	–	–	–	72
Haipeng Wu	72	–	–	–	–	72
Sinn Wai Kin Derek (appointed on 19 June 2023)	195	–	–	–	–	195
Supervisors						
Dong Xiao	–	389	–	51	–	440
Yongzheng Wu	–	225	–	34	–	259
Xiaodi Xu	–	313	–	35	–	348
	484	4,990	–	256	–	5,730

During the years ended 31 December 2021, 2022 and 2023, no amounts were paid or payable by the Group to the above non-director highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

For the years ended 31 December 2021, 2022 and 2023, of the five individuals with the highest emoluments, two, two and two are directors, respectively, whose emoluments are disclosed in Note 8. The aggregate of the emoluments in respect of the remaining individuals are as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Salaries, allowances and benefits in kind	2,274	3,255	3,408
Discretionary bonuses	301	135	453
Retirement scheme contributions	124	188	204
	2,699	3,578	4,065

The emoluments of the three, three, and three with the highest emoluments during the year ended 31 December 2021, 2022 and 2023, respectively, are within the following bands:

	Years ended 31 December		
	2021	**2022**	**2023**
	Number of individuals	*Number of individuals*	*Number of individuals*
HKDnil – HKD500,000	–	–	–
HKD500,001 – HKD1,000,000	2	2	1
HKD1,000,001 – HKD1,500,000	–	–	1
HKD1,500,001 – HKD2,000,000	1	–	–
HKD2,000,001 – HKD2,500,000	–	1	1

10 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of the basic earnings/(loss) per share for the years ended 31 December 2021, 2022 and 2023 are calculated by dividing the profit attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares in issue during the Track Record Periods, calculated as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) attributable to equity shareholders of the Company	36,895	(87,155)	(33,754)
Allocation of profit/(loss) for the year attributable to equity shareholders of redeemable capital contributions	(9,208)	29,813	14,241
Profit/(loss) attributable to ordinary equity shareholders of the Company for the purpose of basic earnings/(loss) per share	27,687	(57,342)	(19,513)

Weighted average number of ordinary shares

	Years ended 31 December		
	2021	**2022**	**2023**
Issued ordinary shares at the beginning of the year	22,160,000	25,670,000	28,290,000
Effect of ordinary shares issued for redeemable capital contributions	(4,960,000)	(8,470,000)	(11,073,833)
Weighted average number of ordinary share at the end of the year for the purpose of basic earnings/(loss) per share	17,200,000	17,200,000	17,216,167

	Years ended 31 December		
	2021	**2022**	**2023**
Profit/(loss) attributable to the ordinary shareholders of the Company (in RMB'000)	27,687	(57,342)	(19,513)
Weighted average number of ordinary shares in issue (number of shares)	17,200,000	17,200,000	17,216,167
Basic earnings/(loss) per share (in RMB)	1.61	(3.33)	(1.13)

Effect of ordinary shares issued for redeemable capital contributions represent the weighted average number of ordinary shares of the Group associated with the redeemable capital contributions (see Note 26) at 31 December 2021, 2022 and 2023, which are subject to redemption and excluded from the calculation of the basic earnings/(loss) per share.

(b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The effect of redeemable capital contributions is anti-dilutive during the year ended 31 December 2021, 2022 and 2023, therefore is not included calculation of diluted earnings per share of the Company.

Accordingly, diluted loss per share during the Track Record Periods are the same as basic earnings/(loss) per share.

11 PROPERTY AND EQUIPMENT

The Group

	Electronic equipment	Furniture	Servers	Vehicles	Construction-in-process	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2021	358	326	136	470	–	595	1,885
Additions	2,053	109	1,811	–	253	275	4,501
At 31 December 2021 and 1 January 2022	2,411	435	1,947	470	253	870	6,386
Additions	187	25	1,007	–	59,919	–	61,138
Disposals	(269)	(23)	(15)	–	–	–	(307)
At 31 December 2022 and 1 January 2023	2,329	437	2,939	470	60,172	870	67,217
Additions	313	443	7,191	–	29,091	1,319	38,357
Transfers	1,769	–	72,672	–	(89,263)	10,397	(4,425)
Disposals	(8)	(60)	–	–	–	–	(68)
At 31 December 2023	4,403	820	82,802	470	–	12,586	101,081
Accumulated depreciation:							
At 1 January 2021	(271)	(48)	(21)	(447)	–	–	(787)
Charge for the year	(132)	(73)	(148)	–	–	(273)	(626)
At 31 December 2021 and 1 January 2022	(403)	(121)	(169)	(447)	–	(273)	(1,413)
Charge for the year	(706)	(78)	(491)	–	–	(290)	(1,565)
Written back on disposals	255	22	14	–	–	–	291
At 31 December 2022 and 1 January 2023	(854)	(177)	(646)	(447)	–	(563)	(2,687)
Charge for the year	(756)	(114)	(588)	–	–	(343)	(1,801)
Written back on disposals	8	46	–	–	–	–	54
At 31 December 2023	(1,602)	(245)	(1,234)	(447)	–	(906)	(4,434)
Net book value:							
At 31 December 2021	2,008	314	1,778	23	253	597	4,973
At 31 December 2022	1,475	260	2,293	23	60,172	307	64,530
At 31 December 2023	2,801	575	81,568	23	–	11,680	96,647

The Company

	Electronic equipment	Furniture	Servers	Vehicles	Construction-in-process	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cost:							
At 1 January 2021	358	326	136	470	–	595	1,885
Additions	2,042	109	1,811	–	253	275	4,490
At 31 December 2021 and 1 January 2022	2,400	435	1,947	470	253	870	6,375
Additions	152	25	1,007	–	52,785	–	53,969
Disposals	(269)	(23)	(15)	–	–	–	(307)
At 31 December 2022 and 1 January 2023	2,283	437	2,939	470	53,038	870	60,037
Additions	203	6	7,087	–	26,304	–	33,600
Transfers	1,766	–	72,420	–	(79,342)	731	(4,425)
Disposals	(8)	(60)	–	–	–	–	(68)
At 31 December 2023	4,244	383	82,446	470	–	1,601	89,144
Accumulated depreciation:							
At 1 January 2021	(271)	(48)	(21)	(447)	–	–	(787)
Charge for the year	(131)	(73)	(148)	–	–	(273)	(625)
At 31 December 2021 and 1 January 2022	(402)	(121)	(169)	(447)	–	(273)	(1,412)
Charge for the year	(701)	(78)	(491)	–	–	(290)	(1,560)
Written back on disposals	255	22	14	–	–	–	291
At 31 December 2022 and 1 January 2023	(848)	(177)	(646)	(447)	–	(563)	(2,681)
Charge for the year	(733)	(84)	(575)	–	–	(283)	(1,675)
Written back on disposals	9	46	–	–	–	–	55
At 31 December 2023	(1,572)	(215)	(1,221)	(447)	–	(846)	(4,301)
Net book value:							
At 31 December 2021	1,998	314	1,778	23	253	597	4,963
At 31 December 2022	1,435	260	2,293	23	53,038	307	57,356
At 31 December 2023	2,672	168	81,225	23	–	755	84,843

12 RIGHT-OF-USE ASSETS

The analysis of the net book value of right-of-use assets by class of underlying asset is presented below:

The Group

	Property leased for own use
	RMB'000
At 1 January 2021	8,676
Additions	762
Depreciation charge for the year	(1,736)
At 31 December 2021 and 1 January 2022	7,702
Additions	5,245
Depreciation charge for the year	(2,253)
At 31 December 2022 and 1 January 2023	10,694
Additions	4,917
Modification	3,519
Disposals	(679)
Depreciation charge for the year	(4,148)
Depreciation written back on disposal	313
At 31 December 2023	14,616

The Company

	Property leased for own use
	RMB'000
At 1 January 2021	7,073
Additions	679
Depreciation charge for the year	(1,452)
At 31 December 2021 and 1 January 2022	6,300
Additions	–
Depreciation charge for the year	(1,536)
At 31 December 2022 and 1 January 2023	4,764
Additions	591
Modification	1,587
Disposals	(679)
Depreciation charge for the year	(1,614)
Depreciation written back on disposal	313
At 31 December 2023	4,962

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Depreciation charge of right-of-use assets by class of underlying asset:			
– Office buildings *(i)*	1,736	2,253	4,148
Interest on lease liabilities *(Note 6(a))*	374	403	637
Expense relating to short-term leases	123	12	45
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	5	11	26

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in Notes 21(d) and 25, respectively.

(i) Office Buildings

The Group has obtained the right to use certain office buildings through tenancy agreements during the Track Record Periods. The leases typically run for an initial period of 2 to 7 years, some leases include an option to renew the lease when all terms are renegotiated. None of the leases include variable lease payments.

13 INTANGIBLE ASSETS

The Group

	Software	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*
Cost:			
At 1 January 2021	–	–	–
Additions	17,108	–	17,108
Acquisition of a subsidiary *(Note 34)*	–	8,600	8,600
At 31 December 2021, and 1 January 2022	17,108	8,600	25,708
Additions	91,810	–	91,810
Acquisition of a subsidiary *(Note 34)*	–	9,000	9,000
At 31 December 2022, and 1 January 2023	108,918	17,600	126,518
Additions	19,885	–	19,885
Transfers	4,425	–	4,425
At 31 December 2023	133,228	17,600	150,828

	Software	Patents	Total
	RMB'000	*RMB'000*	*RMB'000*
Accumulated amortisation:			
At 1 January 2021	–	–	–
Charge for the year	(935)	(537)	(1,472)
At 31 December 2021 and 1 January 2022	(935)	(537)	(1,472)
Charge for the year	(12,927)	(1,169)	(14,096)
At 31 December 2022 and 1 January 2023	(13,862)	(1,706)	(15,568)
Charge for the year	(22,378)	(2,200)	(24,578)
At 31 December 2023	(36,240)	(3,906)	(40,146)
Net book value:			
At 31 December 2021	16,173	8,063	24,236
At 31 December 2022	95,056	15,894	110,950
At 31 December 2023	96,988	13,694	110,682

During the Track Record Periods, the amounts of amortization expense charged to cost of revenue, research and development expenses and administrative and other operating expenses are as follows:

	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Cost of revenue	670	2,568	4,099
Research and development expenses	569	7,584	13,744
Administrative and other operating expenses	233	3,944	6,735
	1,472	14,096	24,578

Intangible assets patents represent patents acquired by the Group in connection with the acquisition of Shanghai Yuanya Information Technology Co., Ltd. and Xian Jinxun Digital Intelligence Information Technology Co., Ltd. completed on 19 July 2021 and 30 December 2022, The amortization charge for the years ended 31 December 2021, 2022 and 2023 is included in "Cost of revenue" in the consolidated statements of profit or loss.

The Company

	Software
	RMB'000
Cost:	
At 1 January 2021	–
Additions	12,319
At 31 December 2021, and 1 January 2022	12,319
Additions	59,948
At 31 December 2022, and 1 January 2023	72,267
Additions	19,885
Transfers	4,425
At 31 December 2023	96,577
Accumulated amortisation:	
At 1 January 2021	–
Charge for the year	(616)
At 31 December 2021 and 1 January 2022	(616)
Charge for the year	(9,920)
At 31 December 2022 and 1 January 2023	(10,536)
Charge for the year	(15,047)
At 31 December 2023	(25,583)
Net book value:	
At 31 December 2021	11,703
At 31 December 2022	61,731
At 31 December 2023	70,994

During the Track Record Periods, the amounts of amortization expense charged to cost of revenue, research and development expenses and administrative and other operating expenses are as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cost of revenue	133	972	1,899
Research and development expenses	250	5,881	8,411
Administrative and other operating expenses	233	3,067	4,737
	616	9,920	15,047

14 INTERESTS IN SUBSIDIARIES

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Investment costs	38,106	66,766	74,439

As at 31 December 2023, the Company has direct or indirect interests in the following principal subsidiaries, all of which are private companies:

Company name	**Place and date of establishment**	**Particulars of registered and paid-in capital**	**Effective interest held by the Group**			**Principal activities**
			As at 31 December			
			2021	**2022**	**2023**	
Shanghai Yuanya Information Technology Co., Ltd. (上海淵雅信息科技有限公司) *(Notes (i), (ii) and (iii))*	The People's Republic of China ("PRC") 27 July 2017	RMB10,000,000/ RMB10,000,000	51%	51%	51%	Software and information technology services
Voicecomm Yilian (Shanghai) Software Technology Co., Ltd. (聲通一璉(上海)軟件科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 13 July 2020	RMB10,000,000/ RMB3,445,700	67%	67%	67%	Software and information technology services
Shandong Voicecomm Information Technology Co., Ltd. (山東聲通信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 10 November 2020	RMB10,000,000/ RMB10,000,000	100%	100%	100%	Software and information technology services
Shandong Voicecomm Intelligent Technology Co., Ltd. (山東聲通智能科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 20 April 2021	RMB10,000,000/ RMB10,000,000	100%	100%	100%	Software and information technology services
Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司) *(Notes (i), (ii) and (iv))*	The People's Republic of China ("PRC") 7 July 2022	RMB5,500,000/ RMB500,000	–	51%	51%	Software and information technology services

Company name	Place and date of establishment	Particulars of registered and paid-in capital	Effective interest held by the Group			Principal activities
			As at 31 December			
			2021	2022	2023	
Sichuan Voicecomm Jiachen Information Technology Co., Ltd. (四川聲通甲辰信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 30 August 2022	RMB20,000,000/ RMB1,270,000	–	100%	100%	Software and information technology services
Hainan Voicecomm Intelligent Technology Co., Ltd. (海南聲通智能科技有限責任公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 5 December 2022	RMB10,000,000/ RMB1,400,000	–	100%	100%	Software and information technology services
Jiangsu Shengtong Information Technology Co., Ltd. (江蘇聲同信息科技有限責任公司) *(Notes (i), (ii) and (v))*	The People's Republic of China ("PRC") 18 January 2023	RMB10,000,000/ nil	–	–	–	Software and information technology services
Sichuan Shengtong Xuanwu Information Technology Co., Ltd. (四川聲通玄武信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 11 May 2023	RMB20,000,000/ RMB1,760,000	–	–	100%	Software and information technology services
Sichuan Shengtong Gengyou Automotive Parts Intelligent Manufacturing Co., Ltd. (四川聲通庚酉汽車零部件智能製造有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 10 May 2023	RMB20,000,000/ RMB1,250,000	–	–	100%	Manufactory and technology service
Chongqing Shengtong Intelligent Technology Co., Ltd. (重慶聲通智能科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 8 June 2023	RMB10,000,000/ RMB1,140,000	–	–	100%	Software and information technology services
Sichuan Shengtong Zhigan Technology Co., Ltd. (四川聲通智感科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 28 June 2023	RMB20,000,000/ RMB50,000	–	–	100%	Software and information technology services
Sichuan Shengtong Yunxiu Information Technology Co., Ltd. (四川聲通蘊秀信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 28 June 2023	RMB20,000,000/ RMB100,000	–	–	100%	Software and information technology services
Chengdu Shengtong Zhigan Technology Co., Ltd. (成都聲通智感科技有限公司) *(Notes (i), (ii) and (v))*	The People's Republic of China ("PRC") 25 July 2023	RMB30,000,000/ nil	–	–	–	Software and information technology services
Sichuan Shengtong Zhishi Technology Co., Ltd. (四川聲通智識科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 31 July 2023	RMB30,000,000/ RMB770,000	–	–	100%	Software and information technology services
Guang'an Shengtong Information Technology Co., Ltd. (廣安聲通信息科技有限公司) *(Notes (i) and (ii))*	The People's Republic of China ("PRC") 23 August 2023	RMB10,000,000/ RMB33,000	–	–	100%	Software and information technology services

(i) These entities are limited liability companies established in the PRC. The official names of these entities are in Chinese. The English translation of the Company names is for identification purpose only.

(ii) No audited financial statements have been prepared for the years ended 31 December 2021, 2022 and 2023.

(iii) On 19 July 2021, the Company acquired 51% equity interests in Shanghai Yuanya Information Technology Co., Ltd. from third party which is principally engaged in, among others, the research and development of automobile management platforms.

(iv) On 30 December 2022, the Company acquired 51% equity interests in Xi'an Jinxun Digital Intelligence Information Technology Co., Ltd. from third party to enhance the Group's service capabilities in voice communication sector.

(v) These two subsidiaries were voluntarily deregistered in 2023.

All companies now comprising the Group have adopted December 31 as their financial year end date.

15 GOODWILL

The movement of goodwill is set out as below:

Cost:	*RMB'000*
At 1 January 2021	–
Acquisition of a subsidiary *(Note 34 (i))*	17,111
At 31 December 2021	17,111
Acquisition of a subsidiary *(Note 34 (ii))*	22,057
At 31 December 2022 and at 31 December 2023	39,168
Accumulated impairment losses:	
At 1 January 2021, 31 December 2021, 31 December 2022 and 31 December 2023	–
Carrying amount:	
At 31 December 2023	39,168
At 31 December 2022	39,168
At 31 December 2021	17,111

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in the acquisition. The goodwill is not deductible for tax purposes.

Impairment tests for cash-generating units containing goodwill

The goodwill mainly arose from the acquisitions of Shanghai Yuanya Information Technology Co., Ltd. ("Yuanya Information") on 19 July 2021 and Xi'an Jinxun Digital Intelligence Information Technology Co., Ltd. ("Jinxun Digital Intelligence") on 30 December 2022, amounting to RMB17,111,000 and RMB22,057,000 (Note 34), respectively.

Goodwill is attributable to the acquired market share and economies of scale expected to be derived from combining with the operations of the Group following these acquisitions.The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts of CGU or group of CGUs to the carrying amounts. Goodwill arising from the acquisition of Yuanya Information and Jinxun Digital Intelligence, was monitored separately and assessed as separate CGUs for the purpose of impairment testing.

Impairment review on the goodwill has been conducted by the management as of 31 December 2021, 2022 and 2023. The recoverable amount of the CGUs 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. Cash flows beyond the five-year period are extrapolated using an estimated weighted average growth rate. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates.

Key assumptions of the significant CGU as at 31 December 2021 is set out as follow:

	Yuanya Information
Compound annual growth rate of revenue during the 5-year forecast period	12.5%
Long-term growth rate	2.5%
Discount rate	16.3%

Key assumptions of the significant CGUs as at 31 December 2022 are set out as follows:

	Yuanya Information	**Jinxun Digital Intelligence**
Compound annual growth rate of revenue during the 5-year forecast period	13.0%	7.9%
Long-term growth rate	2.3%	2.3%
Discount rate	16.3%	16.8%

Key assumptions of the significant CGUs as at 31 December 2023 are set out as follows:

	Yuanya Information	**Jinxun Digital Intelligence**
Compound annual growth rate of revenue during the 5-year forecast period	8.1%	19.5%
Long-term growth rate	2.2%	2.2%
Discount rate	16.3%	16.8%

Details of the headroom calculated based on the recoverable amounts deducting the carrying amount allocated for the significant CGUs are set out as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Yuanya Information	2,754	4,004	7,864
Jinxun Digital Intelligence	–	2,854	7,861

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2021:

	Yuanya Information
Compound annual growth rate of revenue during the 5-year forecast period	-0.5%
Discount rate	+0.7%

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2022:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	-0.6%	-0.6%
Discount rate	+1.1%	+0.6%

Management have undertaken sensitivity analysis on the impairment test of goodwill. The following table sets out the hypothetical changes to annual growth rate during the 5-year forecast and discount rate that would, in isolation, have removed the remaining headroom respectively as at 31 December 2023:

	Yuanya Information	Jinxun Digital Intelligence
Compound annual growth rate of revenue during the 5-year forecast period	-2.0%	-2.0%
Discount rate	+1.9%	+1.6%

The Company performs annual impairment test on goodwill at the end of the reporting year. The recoverable amount of the CGU based on the value-in-use calculations is higher than its carrying amount as at 31 December 2021, 2022 and 2023. With regard to the assessment of the VIU of the CGUs, the directors of the Company believe that any reasonably possible change in any of the above key assumptions would not cause the carrying value, including goodwill, of the CGUs to exceed the recoverable amounts.

16 INTERESTS IN ASSOCIATES

The following list contains associates of the Group and the Company, all of which are unlisted corporate entities whose quoted market price is not available:

Name of company	Place of establishment and business	Particulars of issued and paid-in capital	Proportion of ownership interest as at 31 December 2023		Principal activities
			Group's effective interest	Held by the Company	
Shanghai Voicecomm Yuanzhi Technology Co., Ltd. ("Voicecomm Yuanzhi") (上海聲通垣智科技有限公司) *(Notes (i) and (iv))*	The PRC	RMB10,000,000/ RMB4,273,000	–	–	Software and Information Technology Services
Jiangsu Voicecomm Information Technology Co., Ltd. (江蘇聲通信息科技有限公司) *(Notes (ii) and (iii))*	The PRC	RMB10,000,000/ RMB2,000,000	–	–	Computer software and hardware manufacturing
SDG Voicecomm Service (Wuhan) Co., Ltd. ("SDG Voicecomm") (特發聲通科技服務(武漢)有限公司) *(Note (v))*	The PRC	RMB5,000,000/ RMB2,500,000	10%	10%	Provision of technology related services

* The English translation of the associates' names is for reference only. The official names of these companies are in Chinese.

(i) In August 2019, the Group invested 20% of the equity interest in Shanghai Voicecomm Yuanzhi Technology Co., Ltd. with contributed registered capital in RMB2,000,000. In 2020, 2021 and 2022, the Group made the capital injection in RMB150,000, RMB300,000 and RMB1,550,000, respectively.

(ii) In June 2020, the Group invested 20% of the equity interest in Jiangsu Voicecomm Information Technology Co., Ltd. through capital injection of RMB2,000,000 in cash.

(iii) In March 2021, the Group dispose its 20% of the equity interest of Jiangsu Voicecomm Information Technology Co., Ltd. to Beijing Yujia Technology Co., Ltd. at a consideration of RMB2,200,000 in cash. The gain of the disposal amounted to RMB200,000 was recorded in the other net gain/(loss) of the consolidated statements of profit or loss.

(iv) In September 2023, the Group dispose its 20% of the equity interest of Voicecomm Yuanzhi to Shanghai Voicecomm Rongzhi Technology Group Co., Ltd., a company controlled by Jinghua Tang, at a consideration of RMB2,000,000 in cash. The loss of the disposal amounted to RMB41,000 was recorded in the other net gain/(loss) of the consolidated statements of profit or loss.

(v) In August 2023, the Group invested 10% of the equity interest in SDG Voicecomm with contributed registered capital in RMB500,000. In 2023, the Group made the capital injection in RMB250,000.

The Group accounts for SDG Voicecomm as an investment in an associate using the equity method in the consolidated financial statements of the Group under applicable financial reporting standards, as the Group has the right to appoint a director in the board of directors of SDG Voicecomm.

All of the above associates are accounted for using the equity method in the consolidated financial statements during the Track Record Periods.

The Group assesses whether this is any objective evidence that its interest in the associates are impaired at the end of each reporting period by considering the associates' business development process, any significant financial difficulty, default or bankruptcy encountered by the associates and adverse change in technological, market, economic or legal environment. Based on the assessment above, the Group concluded that no impairment indicator was identified at the end of each reporting period and no impairment loss of interest in associates is considered necessary to be recognized in the consolidated statements of profit or loss.

Aggregate information of associates that are not individually material:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	360	2,041	230

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
(Loss)/gain from continuing operations	(22)	131	(20)
Total comprehensive income	(22)	131	(20)

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	2,082	360	2,041
Capital injection of interests in associates	300	1,550	250
Disposal of interests in an associate	(2,000)	–	(2,000)
Net loss on disposal of an associate	–	–	(41)
Share of (loss)/gain of associates	(22)	131	(20)
At the end of the year	360	2,041	230

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Equity securities designated at FVOCI (non-recycling)			
– Unlisted equity securities	516	560	771

The unlisted equity security at FVOCI (non-recycling), represent investment in unlisted equity interest of a private entity incorporated in the PRC.

This entity is principally engaged in software development.

The Group designated these investments at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the Track Record Periods. The analysis on the fair value measurement of the above financial asset is disclosed in Note 30(e).

The changes in fair value in amount of RMB99,000, RMB44,000 and RMB211,000 (Note 30) which is net off tax impact in amount of RMB84,000, RMB37,000 and RMB180,000 (Note 27(b)) is recognised in other comprehensive income for the year (after tax).

18 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Financial assets at FVPL			
– Unlisted equity securities	20,000	28,337	28,595

In June 2021, the Group invested 3.95% of the equity interest in another private company, which is incorporated in the PRC and principally engaged in the AI hardware manufacturing and sales, for a consideration of RMB20,000,000 in cash.

The investment was classified as financial assets measured at FVPL, because the investment contain substantive liquidation preference and are redeemable at the option of the Group if the investee is liquidated in the future. The redeemable amount is calculated by investment consideration plus remaining net assets on pro rata basis.

For the years ended 31 December 2021, 2022 and 2023, the Group recognised RMB nil, RMB8,337,000 and RMB258,000 in the changes in fair value of financial assets measured at fair value through profit or loss.

The analysis on the fair value measurement of the above financial asset is disclosed in Note 30(e).

19 INVENTORIES AND OTHER CONTRACT COSTS

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Communication devices	74,529	55,246	–
Servers and computers	37,306	30,742	593
Perception equipment and accessories	–	8,134	5,561
Others	640	1,147	36
	112,475	95,269	6,190
Other contract cost	–	–	1,463
	112,475	95,269	7,653

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Communication devices	74,529	55,246	–
Servers and computers	33,003	26,438	567
Perception equipment and accessories	–	8,134	5,561
Others	640	1,147	36
	108,172	90,965	6,164
Other contract cost	–	–	–
	108,172	90,965	6,164

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount of inventories sold	180,719	162,735	302,493

As at 31 December 2021, 2022 and 2023, inventories of RMB23,486,000, RMB nil and RMB nil were pledged as security for issuance of letters of credit, respectively.

All inventories are expected to be recovered within one year.

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory. There was no impairment in relation to the opening balance of capitalised costs or the costs capitalised during the year.

All of the other capitalised contract costs are expected to be recovered within one year.

20 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade and other receivables			
Trade receivables	248,068	379,103	704,682
Less: loss allowance on trade receivables	(32,368)	(66,479)	(121,858)
	215,700	312,624	582,824
Bills receivables	10,500	–	–
	226,200	312,624	582,824

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Value added tax ("VAT") recoverable	9,296	16,661	13,430
Taxation recoverable *(Note 27(a))*	1,104	8,896	650
Capitalization of listing expenses	–	–	3,564
Other deposit and receivable	6,212	1,493	2,237
	242,812	339,674	602,705
Prepayments			
Current			
Prepayments for goods and services	95,296	139,219	233,834
Non-current			
Prepayments for purchase of property, equipment and intangible assets	63,009	24,460	145,002
Prepayments for services	9,900	9,900	34,954
	72,909	34,360	179,956

The Company

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Trade receivables	227,199	327,468	636,899
Less: loss allowance on trade receivables	(30,070)	(53,434)	(83,735)
	197,129	274,034	553,164
Bills receivables	10,500	–	–
	207,629	274,034	553,164
Value added tax recoverable	6,795	10,966	9,673
Taxation recoverable	1,104	8,896	251
Amounts due from subsidiaries	23,067	67,238	69,188
Capitalization of listing expenses	–	–	3,564
Other deposit and receivable	5,152	1,491	1,494
	36,118	88,591	84,170
	243,747	362,625	637,334
Current			
Prepayments for goods and services	94,259	139,201	226,537

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Non-current			
Prepayments for purchase of property, equipment and intangible assets	52,333	20,396	137,702
Prepayments for services	–	–	25,384
	52,333	20,396	163,086

As at 31 December 2021, 2022 and 2023, except for the rental deposits of RMB3,173,000, RMB566,000 and RMB921,000, respectively, all of the Group's trade and other receivables are expected to be recovered or recognised as expense within a year.

Bills receivable primarily represent short-term commercial acceptance bills receivable that entitle the Group to receive the full face amount from the banks at maturity, which generally ranges from 6 to 12 months from the date of issuance. Historically, the Group had experienced no credit losses on bills receivable.

Certain bills receivable were discounted to financial institutions with recourse, where substantially the risks and rewards of ownership had not been transferred. Since the Group has continuing involvement in the transferred assets, discounted bills receivable of RMB10,500,000, RMB nil and RMB nil, respectively, were therefore not derecognized as at 31 December 2021, 2022 and 2023.

(a) Ageing analysis of trade receivables and bills receivables

As at 31 December 2021, 2022 and 2023, the ageing analysis of the Group's trade receivables and bills receivables, based on the invoice date and net of loss allowance, is as follows:

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	220,157	236,186	505,107
After 1 year but within 2 years	3,199	74,653	72,420
After 2 years but within 3 years	2,600	1,737	5,297
Over 3 years	244	48	–
	226,200	312,624	582,824

Trade receivables are generally due within 180 to 270 days from the date of billing. Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 30(a).

(b) Movement in the allowance for credit losses of trade receivables:

The Group

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	14,924	32,368	66,479
Impairment losses recognised	17,444	42,562	55,379
Write-off	–	(8,451)	–
Balance at the end of the year	32,368	66,479	121,858

21 CASH AND OTHER CASH FLOW INFORMATION

(a) Cash:

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	10,641	20,434	46,876

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Cash at bank	10,289	14,320	38,364

(b) Reconciliation of profit/(loss) before taxation to cash used in operations

		Year ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before taxation		44,431	(90,884)	(28,755)
Adjustments for:				
Depreciation	*6(c)*	2,362	3,818	5,949
Amortization	*6(c)*	1,472	14,096	24,578
Impairment loss on trade receivables	*20(b)*	17,444	42,562	55,379
Changes in carrying amount of redeemable capital contributions	*26*	25,950	157,504	146,892
Changes in fair value of financial assets measured at fair value through profit or loss	*30*	–	(8,337)	(258)
Finance costs	*6(a)*	8,213	9,065	11,769
Finance income	*6(a)*	(30)	(31)	(73)
Net (gain)/loss on disposal of an associate	*5*	(200)	–	41
Share of loss/(gain) of associates	*16*	22	(131)	20
(Gain)/loss on disposal of property and equipment and right-of-use assets	*5(b)*	–	16	(16)
Changes in working capital:				
(Increase)/decrease in inventories and other contract costs		(9,541)	17,206	87,616
Increase in trade and other receivables		(155,599)	(131,632)	(323,092)
Increase in prepayments		(24,876)	(43,923)	(116,130)
Increase in trade and other payables		16,338	3,218	2,004
Increase in contract liabilities		14,217	4,395	66,296
Increase/(decrease) in deferred income		1,047	(176)	1,165
Cash used in operations		(58,750)	(23,234)	(66,615)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

	Bank loans and other borrowings	**Loans from related parties**	**Lease liabilities**	**Redeemable capital contributions**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 33)*	*(Note 25)*	*(Note 26)*	
At 1 January 2021	98,001	2,349	9,284	99,316	208,950
Changes from financing cash flows:					
Proceeds from bank loans and other borrowings	147,161	–	–	–	147,161
Repayment of bank loans and other borrowings	(94,499)	–	–	–	(94,499)
Proceeds from related parties loans	–	5,000	–	–	5,000
Repayment of related parties loans	–	(2,000)	–	–	(2,000)
Capital element of lease rentals paid	–	–	(1,130)	–	(1,130)
Interest element of lease rentals paid	–	–	(374)	–	(374)
Proceeds from redeemable capital contributions	–	–	–	140,400	140,400
Interest paid	(7,839)	–	–	–	(7,839)
Total changes from financing cash flows	44,823	3,000	(1,504)	140,400	186,719
Other changes:					
Increase in lease liabilities from entering into new leases during the year	–	–	762	–	762
Interest expenses *(Note 6(a))*	7,839	–	374	–	8,213
Changes in carrying amount of redeemable capital contributions	–	–	–	25,950	25,950
Total other changes	7,839	–	1,136	25,950	34,925
At 31 December 2021 and 1 January 2022	150,663	5,349	8,916	265,666	430,594

	Bank loans and other borrowings	Loans from related parties	Lease liabilities	Redeemable capital contributions	Capital contribution from an investor	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 33)*	*(Note 25)*	*(Note 26)*	*(Note 22)*	
At 1 January 2022	150,663	5,349	8,916	265,666	–	430,594
Changes from financing cash flows:						
Proceeds from bank loans and other borrowings	193,666	–	–	–	–	193,666
Repayment of bank loans and other borrowings	(122,679)	–	–	–	–	(122,679)
Repayment of related parties loans	–	(3,000)	–	–	–	(3,000)
Capital element of lease rentals paid	–	–	(1,444)	–	–	(1,444)
Interest element of lease rentals paid	–	–	(403)	–	–	(403)
Proceeds from redeemable capital contributions	–	–	–	104,800	–	104,800
Capital contribution from an investor	–	–	–	–	16,755	16,755
Interest paid	(8,532)	(2,479)	–	–	–	(11,011)
Total changes from financing cash flows	62,455	(5,479)	(1,847)	104,800	16,755	176,684
Other changes:						
Increase in lease liabilities from entering into new leases during the year	–	–	5,245	–	–	5,245
Interest expenses *(Note 6(a))*	8,532	130	403	–	–	9,065
Changes in carrying amount of redeemable capital contributions	–	–	–	157,504	–	157,504
Total other changes	8,532	130	5,648	157,504	–	171,814
At 31 December 2022	221,650	–	12,717	527,970	16,755	779,092

	Bank loans and other borrowings	Lease liabilities	Redeemable capital contributions	Capital contribution from an investor	Capitalization of listing expenses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Note 24)	*(Note 25)*	*(Note 26)*	*(Note 22)*	*(Note 22)*	
At 1 January 2023	221,650	12,717	527,970	16,755	–	779,092
Changes from financing cash flows:						
Proceeds from bank loans and other borrowings	312,000	–	–	–	–	312,000
Repayment of bank loans and other borrowings	(181,650)	–	–	–	–	(181,650)
Capital element of lease rentals paid	–	(1,958)	–	–	–	(1,958)
Interest element of lease rentals paid	–	(637)	–	–	–	(637)
Proceeds from redeemable capital contributions	–	–	161,295	–	–	161,295
Payment for capitalization of listing expenses	–	–	–	–	(971)	(971)
Interest paid	(11,132)	–	–	–	–	(11,132)
Total changes from financing cash flows	119,218	(2,595)	161,295	–	(971)	276,947
Other changes:						
Increase in lease liabilities from entering into new leases during the year	–	4,917	–	–	–	4,917
Interest expenses *(Note 6(a))*	11,132	637	–	–	–	11,769
Disposal of right-of-use assets	–	(396)	–	–	–	(396)
Modification of right-of-use assets	–	3,519	–	–	–	3,519
Changes in carrying amount of redeemable capital contributions	–	–	163,647	(16,755)	–	146,892
Total other changes	11,132	8,677	163,647	(16,755)	–	166,701
At 31 December 2023	352,000	18,799	852,912	–	(971)	1,222,740

(d) Total cash outflow for leases

Amounts included in the consolidated cash flow statements for leases comprise the following:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within operating cash flows	128	23	71
Within financing cash flows	1,504	1,847	2,595
	1,632	1,870	2,666

These amounts relate to the following:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Lease rentals paid	1,632	1,870	2,666

(e) Net cash outflow arising from the acquisition of a subsidiary

The recognised amounts of assets acquired and liabilities at the date of acquisition of the subsidiary comprise the following:

(i) Yuanya Information acquisition

	Fair value on acquisition
	RMB'000
Intangible assets	
– Patents *(Note 13)*	8,600
Other receivables	1,995
Other payables and accruals	(1,995)
Deferred tax liabilities	(2,150)
Net identifiable assets acquired	6,450
Less: non-controlling interests	(3,161)
Add: goodwill *(Note 15)*	17,111
Total acquisition price	20,400
Total consideration paid in cash	20,400
Less: cash of subsidiary acquired	–
Net cash outflow arising from the acquisition of a subsidiary	20,400

(ii) Jinxun Digital Intelligence acquisition

	Fair value on acquisition
	RMB'000
Intangible assets	
– Patents *(Note 13)*	9,000
Cash	5,000
Deferred tax liabilities	(2,250)
Net identifiable assets acquired	11,750
Less: non-controlling interests	(5,757)
Add: goodwill *(Note 15)*	22,057
Total acquisition price	28,050
Less: consideration payable for Jinxun Digital Intelligence acquisition *(Note 22)*	(6,295)
Total consideration paid in cash	21,755
Less: cash of subsidiary acquired	(5,000)
Net cash outflow arising from the acquisition of a subsidiary	16,755

22 TRADE AND OTHER PAYABLES

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	6,635	3,306	14,402
Accrued payroll and benefits	4,421	6,607	8,493
Other taxes payable	958	1,777	3,680
Loans from related parties	5,349	–	–
Capital contribution from an investor	–	16,755	–
Consideration payable for Jinxun Digital Intelligence acquisition	–	6,295	3,000
Payable for acquisition of property and equipment	15,152	7,148	6,557
Payable for acquisition of service	11,000	11,303	213
Accrual listing expenses	–	4,400	5,829
Deposits received	60	61	60
Other payables and accrual expenses	2,943	1,781	1,155
	46,518	59,433	43,389

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Trade payables	4,130	2,858	12,727
Accrued payroll and benefits	3,460	4,793	6,216
Other taxes payable	577	886	227
Amounts due from a subsidiary	–	2,000	2,000
Loans from related parties	5,349	–	–
Capital contribution from an investor	–	16,755	–
Consideration payable for Jinxun Digital Intelligence acquisition	–	6,295	3,000
Payable for acquisition of property and equipment	15,152	2,545	2,954
Payable for acquisition of service	11,000	11,303	–
Accrual listing expenses	–	4,400	5,829
Deposits received	60	61	60
Other payables and accrual expenses	2,273	1,643	888
	42,001	53,539	33,901

All of the trade and other payables are expected to be settled or recognised as income within one year.

As at 31 December 2021, 2022 and 2023, the ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 6 months	5,697	674	13,806
After 6 months but within 1 year	5	552	477
After 1 year	933	2,080	119
	6,635	3,306	14,402

23 CONTRACT LIABILITIES

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	12,515	26,732	31,127
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(12,474)	(23,043)	(30,967)
Increase in contract liabilities as a result of receiving advance payment during the year	80,113	58,370	132,644
Decrease in contract liabilities as a result of recognising revenue during the same year	(53,422)	(30,932)	(35,381)
Balance at the end of the year	26,732	31,127	97,423

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Balance at the beginning of the year	12,515	26,732	31,127
Decrease in contract liabilities as a result of recognizing revenue during the year that was included in the contract liabilities at the beginning of the year	(12,474)	(23,043)	(30,967)
Increase in contract liabilities as a result of receiving advance payment during the year	80,113	58,370	132,162
Decrease in contract liabilities as a result of recognising revenue during the same year	(53,422)	(30,932)	(35,381)
Balance at the end of the year	26,732	31,127	96,941

Contract liabilities of the Group mainly arise from the non-refundable advance payments made by customers while the underlying services are yet to be provided.

24 BANK LOANS AND OTHER BORROWINGS

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank loans			
– Unsecured and unguaranteed	10,000	10,000	30,000
– Secured and guaranteed *(i)*	118,000	201,650	312,000
– Pledged and unguaranteed *(ii)*	10,500	–	–
	138,500	211,650	342,000
Other borrowings			
– Secured and guaranteed *(iii)*	3,063	–	–
– Pledged and guaranteed *(iv)*	9,100	–	–
	12,163	–	–
	150,663	211,650	342,000
Non-current			
Bank loans			
– Secured and guaranteed *(i)*	–	10,000	10,000
	–	10,000	10,000

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Current			
Bank loans			
– Unsecured and unguaranteed	10,000	10,000	30,000
– Secured and guaranteed *(i)*	118,000	201,650	310,000
– Pledged and unguaranteed *(ii)*	10,500	–	–
	138,500	211,650	340,000
Other borrowings			
– Secured and guaranteed *(iii)*	3,063	–	–
– Pledged and guaranteed *(iv)*	9,100	–	–
	12,163	–	–
	150,663	211,650	340,000

(i) As at 31 December 2021, 2022 and 2023, certain bank facilities granted to the Group for bank loans were guaranteed by Mr. Jinghua Tang, Mr. Qi Sun and Mr. Yerong Shi (collected referred to "Shareholders") as the shareholders of the Company and their spouses.

(ii) As at 31 December 2021, 2022 and 2023, bills receivables of the Group in the amount of RMB10,500,000, RMB nil and RMB nil were pledged for the bank loans, respectively.

(iii) As at 31 December 2021, 2022 and 2023, the Group borrowed secured borrowings from third-party leasing companies amounted to RMB3,063,000, RMB nil and RMB nil which were guaranteed by the shareholders. The loans were repaid in 2022 and the guarantee was released.

(iv) As at 31 December 2021, 2022 and 2023, the Group borrowed secured borrowings from third-party leasing companies amounted to RMB9,100,000, RMB nil and RMB nil. These loans were pledged by the inventories with carrying amount of RMB23,486,000, RMB nil and RMB nil, respectively.

As at 31 December 2021, 2022 and 2023, certain secured borrowings from bank and third-party leasing companies were guaranteed by Shareholders are listed as follows:

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Bank loans with guarantees issued by Shareholders *(i)*	118,000	211,650	322,000
Other loans with guarantees issued by Shareholders *(iii)(iv)*	12,163	–	–
	130,163	211,650	322,000

The maturity of the secured borrowings is ranging from 1 to 3 years. As at 31 December 2021, 2022 and 2023, secured borrowings carried an interest rate ranging from 1.4% to 17.7% per annum.

As at 31 December 2021, 2022 and 2023, the Group had unutilized banking facilities for bank loans and bills payable totaling RMB10,675,000, RMB56,350,000 and RMB101,000,000, respectively.

All above-mentioned guarantees by shareholders will be released before the completion of IPO date.

25 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities as at 31 December 2021, 2022 and 2023.

The Group

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	2,302	4,128	8,115
After 1 year but within 2 years	1,917	3,152	4,652
After 2 years but within 5 years	4,697	5,437	6,028
After 5 years	–	–	4
	6,614	8,589	10,684
	8,916	12,717	18,799

The Company

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Within 1 year	1,565	1,631	1,752
After 1 year but within 2 years	1,631	1,850	1,792
After 2 years but within 5 years	3,935	2,085	2,191
	5,566	3,935	3,983
	7,131	5,566	5,735

26 REDEEMABLE CAPITAL CONTRIBUTIONS

In 2020, the Company entered into investment agreements with Series A investors, pursuant to which, these investors agreed to subscribe 4,960,000 shares of the Company at a consideration of RMB74,400,000 (referred as "Series A Financing").

Pursuant to the Series A investment agreements, two of Series A investors ("Series A-1 investor") are entitled to the redemption rights, liquidation preference and anti-dilution rights, while the remaining two Series A investors ("Series A-2 investor") are entitled to the liquidation preference and one director nomination rights for each investors.

In 2021, the Company entered into investment agreements with Series B investors, pursuant to which, these investors agreed to subscribe 3,510,000 shares of the Company at a consideration of RMB140,400,000 (referred as "Series B Financing").

In 2022, the Company entered into investment agreements with Series B+ investors, pursuant to which, these investors agreed to subscribe 2,620,000 shares of the Company at a consideration of RMB104,800,000 (referred as "Series B+ Financing").

In 2023, the Company entered into investment agreements with Series C investors, pursuant to which, these investors agreed to subscribe 2,769,230 shares of the Company at a consideration of RMB180,000,000 in which 2,739,230 shares of the Company at a consideration of RMB178,049,940 are entitled to the redemption rights, liquidation preference and anti-dilution rights (referred as "Series C Investment").

The Series A, Series B, Series B+ and Series C investors (collectively refer to "the investors") are entitled to the same voting rights and dividend rights as other founding shareholders of the Company. Certain key special rights attributable to the investors of the investments are summarized as follows:

Redemption rights

Shares issued by the Company for the Series A-1, Series B, Series B+ and Series C shall be redeemable by the Company and the founder of the Company upon the occurrence of certain events, with the main conditions being:

(i) a qualified IPO does not occur within 31 December 2024 for Series A-1, Series B, Series B+ and Series C Financing.

(ii) the Company didn't meet guaranteed profit from 2020 to 2025; or

(iii) changes to the Company's controlling shareholder.

The redemption price of the shares issued in the investments shall equal to the higher of (i) the aggregate of the original issue price for the respective series plus an amount accruing daily at 8% of the original preferred shares issue price per annum minus all paid dividends (ii) fair market value of the shares of relevant series on the date of redemption.

Liquidation preference

In the event of any liquidation including deemed liquidation, dissolution, bankruptcy, acquisitions, sale or transfer of all or part of the core assets, winding up of the Company, the founder of the Company and the Company shall ensure that the investors of the investments are entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to founder in order of priority, an amount equals to the aggregate of the original issue price for the respective series plus an amount declared but not paid dividends and the remaining assets of the Company available for distribution shall be distributed rateably among the shareholders.

Anti-dilution right

If the Company increases its share capital at a price lower than the price paid by the investors of the investments on a per share capital basis prior to a qualified IPO, the investors have a right to require the founding shareholders of the Company to transfer for nil consideration to the investors, so that the total amount paid by the investors divided by the total amount of share capital obtained is equal to the price per share capital in the new issuance.

Presentation and classification

The Company recognized the financial instruments issued to investors as financial liabilities, because not all triggering events mentioned in the key terms above are within the control of the Company and these financial instruments did not meet the definition of equity for the Company. The financial liabilities are measured at the higher amount expected to be paid to the investors upon redemption or liquidation which is assumed to be at the dates of issuance and at the end of each reporting period. Any changes in the carrying amount of the financial liabilities were recorded in "Changes in carrying amount of redeemable capital contributions".

The movements of the redeemable capital contributions are set out below:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	99,316	265,666	527,970
Changes in carrying amount of redeemable capital contributions	25,950	157,504	146,892
Issuance for cash	140,400	104,800	178,050
At the ending of the year	265,666	527,970	852,912

The Company received advance payment of Series C financing proceeds in amount of RMB16,755,000 in 2022 which is recorded in the trade and other payables as at 31 December 2022.

The fair market value of the shares were valued by the directors of the Company with reference to valuation reports carried out by an independent qualified professional valuer. The Company used discounted cash flow method to determine the total share value of the Company and applied the equity allocation model to determine the fair market value of the shares of relevant series at the end of each reporting period upon redemption.

Key valuation assumptions used to determine the fair market value of the shares are as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Discount rate	14.7%	14.4%	14.4%
Discounts for lack of marketability ("DLOM")	19.0%	14.0%	7.0%

If the Company's significant unobservable inputs applied in the valuation had been 1% lower or higher than management's estimation as at 31 December 2021, 2022 and 2023, the present value of the redeemable preferred shares would increase/(decrease) by the amounts listed in table below:

	As at 31 December 2021	
	DLOM	Discount rate
	RMB'000	*RMB'000*
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions		
Add 1%	204	751
Reduce 1%	(204)	(869)

	As at 31 December 2022	
	DLOM	Discount rate
	RMB'000	*RMB'000*
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions		
Add 1%	4,956	38,772
Reduce 1%	(3,673)	(46,196)

	As at 31 December 2023	
	DLOM	Discount rate
	RMB'000	*RMB'000*
Impact on the profit/(loss) before income tax due to estimated changes in carrying amount of redeemable capital contributions		
Add 1%	7,656	67,339
Reduce 1%	(7,658)	(86,700)

27 INCOME TAX IN THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(a) Current taxation in the consolidated statements of financial position represents:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
At the beginning of the year	7,079	1,793	(6,006)
Provision for PRC Corporate Income Tax for the year	11,042	81	9,979
Tax paid	(16,328)	(7,880)	(1,454)
At the end of the year	1,793	(6,006)	2,519
Represented by:			
Taxation recoverable *(Note 20)*	(1,104)	(8,896)	(650)
Taxation payable	2,897	2,890	3,169
	1,793	(6,006)	2,519

(b) Deferred tax assets and liabilities recognized:

(i) The components of deferred tax assets/(liabilities) recognized in the consolidated statements of financial position and the movements during the Track Record Periods are as follows:

	Credit loss allowance	Deferred income	Right-of-use assets	Lease Liabilities	Deductible tax losses	Financial assets at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Appraisal of intangible asset appreciation	Depreciation of fixed assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	2,238	–	136	(49)	–	(17)	–	–	–	2,308
Charged/(credited) profit or loss	2,653	166	218	(176)	–	–	–	134	–	2,995
Charged to reserves	–	–	–	–	–	15	–	–	–	15
Acquisition of subsidiaries	–	–	–	–	–	–	–	(2,150)	–	(2,150)
At 31 December 2021 and 1 January 2022	4,891	166	354	(225)	–	(2)	–	(2,016)	–	3,168
Charged/(credited) to profit or loss	7,285	(35)	338	(213)	6,454	–	(1,250)	292	(7,717)	5,154
Credited to reserves	–	–	–	–	–	(7)	–	–	–	(7)
Acquisition of subsidiaries	–	–	–	–	–	–	–	(2,250)	–	(2,250)
At 31 December 2022 and 1 January 2023	12,176	131	692	(438)	6,454	(9)	(1,250)	(3,974)	(7,717)	6,065
Charged/(credited) to profit or loss	10,432	175	526	(224)	(2,479)	–	(39)	1,142	–	9,533
Credited to reserves	–	–	–	–	–	(31)	–	–	–	(31)
At 31 December 2023	22,608	306	1,218	(662)	3,975	(40)	(1,289)	(2,832)	(7,717)	15,567

(ii) The components of deferred tax/(liabilities) recognized in the statements of financial position and the movements during the Track Record Periods are as follows

	Credit loss allowance	Deferred income	Right-of-use assets	Lease Liability	Deductible tax losses	Financial assets at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Depreciation of fixed assets	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2021	2,238	–	136	(49)	–	(17)	–	–	2,308
Charged/(credited) to profit or loss	2,272	166	218	(176)	–	–	–	–	2,480
Charged to reserves	–	–	–	–	–	15	–	–	15
At 31 December 2021 and 1 January 2022	4,510	166	354	(225)	–	(2)	–	–	4,803
Charged/(credited) to profit or loss	4,772	(35)	231	(235)	6,443	–	(1,250)	(7,717)	2,209
Credited to reserves	–	–	–	–	–	(7)	–	–	(7)
At 31 December 2022 and 1 January 2023	9,282	131	585	(460)	6,443	(9)	(1,250)	(7,717)	7,005
Charged/(credited) to profit or loss	4,544	175	242	(242)	(6,443)	–	(39)	–	(1,763)
Credited to reserves	–	–	–	–	–	(31)	–	–	(31)
At 31 December 2023	13,826	306	827	(702)	–	(40)	(1,289)	(7,717)	5,211

(iii) Reconciliation to the consolidated statements of financial position:

	Years ended 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Net deferred tax asset recognised in the consolidated statement of financial position	5,184	10,038	18,399
Net deferred tax liability recognised in the consolidated statement of financial position	(2,016)	(3,973)	(2,832)
Net deferred tax asset recognized in the consolidated statement of financial position	3,168	6,065	15,567

(c) Deferred tax assets not recognized

In accordance with the accounting policy set out in Note 2(t), the Group has not recognised deferred tax assets in respect of unused tax losses and temporary differences as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The following table presents the Group's unused tax losses and temporary differences at the reporting dates:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Deductible temporary differences	1,109	2,176	1,850
Unused tax losses	3,566	8,698	15,865
	4,675	10,874	17,715

The expiration information of the Group's unused tax losses is set out below:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
2025	812	812	812
2026	2,754	2,754	2,754
2027	–	5,132	5,131
2028	–	–	7,167
	3,566	8,698	15,865

28 DEFERRED INCOME

As at 31 December 2021, 2022 and 2023, deferred income of the Group and the Company represented unamortized conditional government grants amounted to RMB1,047,000, RMB871,000 and RMB2,036,000 for the purchase of research and development equipment.

We recognize government grants in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that we will comply with the conditions attaching to them. Grants that compensate us for expenses incurred are recognized as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate us for the cost of an asset are recognized initially as deferred income and amortized to profit or loss on a straight-line basis over the useful life of the asset by way of being recognized in other income.

29 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

	Note	**Share capital**	**Capital reserve**	**PRC statutory reserves**	**Fair value reserve (non-recycling)**	**Retained earnings/ (Accumulated losses)**	**Total**
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Balance at 1 January 2021		22,160	(4,819)	5,343	98	48,090	70,872
Changes in equity for 2021:							
Profit for the year		–	–	–	–	31,523	31,523
Other comprehensive income		–	–	–	(84)	–	(84)
Total comprehensive income for the year		–	–	–	(84)	31,523	31,439
Issue of ordinary shares	*29(c)*	3,510	136,890	–	–	–	140,400
Recognition of redeemable capital contributions as current liabilities	*26*	–	(140,400)	–	–	–	(140,400)
Appropriation for surplus reserve		–	–	3,152	–	(3,152)	–
Balance at 31 December 2021 and 1 January 2022		25,670	(8,329)	8,495	14	76,461	102,311

	Note	Share capital	Capital reserve	PRC statutory reserves	Fair value reserve (non-recycling)	Retained earnings/ (Accumulated losses)	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Changes in equity for 2022:							
Loss for the year		–	–	–	–	(77,004)	(77,004)
Other comprehensive income		–	–	–	37	–	37
Total comprehensive income for the year		–	–	–	37	(77,004)	(76,967)
Issue of ordinary shares	29(c)	2,620	102,180	–	–	–	104,800
Recognition of redeemable capital contributions as current liabilities	26	–	(104,800)	–	–	–	(104,800)
Balance at 31 December 2022 and 1 January 2023		28,290	(10,949)	8,495	51	(543)	25,344
Changes in equity for 2023:							
Loss for the year		–	–	–	–	(17,664)	(17,664)
Other comprehensive income		–	–	–	180	–	180
Total comprehensive income for the year		–	–	–	180	(17,664)	(17,484)
Issue of ordinary shares		2,769	177,231	–	–	–	180,000
Recognition of redeemable capital contributions as current liabilities		–	(178,050)	–	–	–	(178,050)
Balance at 31 December 2023		31,059	(11,768)	8,495	231	(18,207)	9,810

(b) Dividends

No dividends were paid or declared by the Company or any of its subsidiaries during the Track Record Periods.

(c) Share capital

	Note	**Number of shares**	**In RMB'000**
Ordinary shares, issued and fully paid:			
At 1 January 2021		22,160,000	22,160
Ordinary shares issued	*(i)*	3,510,000	3,510
At 31 December 2021 and 1 January 2022		25,670,000	25,670
Ordinary shares issued	*(ii)*	2,620,000	2,620
At 31 December 2022		28,290,000	28,290
Ordinary shares issued	*(iii)*	2,769,230	2,769
At 31 December 2022 and 31 December 2023		31,059,230	31,059

(i) In 2021, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB140,400,000 in the Company in exchange of 3,510,000 shares of the Company. During the year ended 31 December 2021, the share capital of the Company increased from RMB22,160,000 to RMB25,670,000 by issue of additional 3,510,000 ordinary shares at RMB1 per share.

(ii) In 2022, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB104,800,000 in the Company in exchange of 2,620,000 shares of the Company. During the year ended 31 December 2022, the share capital of the Company increased from RMB25,670,000 to RMB28,290,000 by issue of additional 2,620,000 ordinary shares at RMB1 per share.

(iii) In 30 June 2023, the Company entered into an investment agreement with certain investors, pursuant to which, these investors agreed to invest RMB179,999,940 in the Company in exchange of 2,769,230 shares of the Company. During the year ended 31 December 2023, the share capital of the Company increased from RMB28,290,000 to RMB31,059,230 by issue of additional 2,769,230 ordinary shares at RMB1 per share.

(d) Capital reserve

The capital reserve represents (i) the difference between consideration received for ordinary shares subscription net of any transaction costs directly attributable to the subscription and the par value of the ordinary shares subscribed; (ii) the amount arises from the adjustment of redeemable capital contributions as current liabilities.

(e) PRC statutory reserve

Statutory reserve is established in accordance with the relevant PRC rules and regulations and the articles of association of the companies comprising the Group which are incorporated in the PRC.

For the entity concerned, statutory reserves can be used to make good previous years' losses, if any, and may be converted into capital in proportion to the existing equity interests of investors, provided that the balance of the reserve after such conversion is not less than 25% of the entity's registered capital.

(f) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under IFRS 9 that are held at the end of the reporting period (see Note 2(f)).

(g) 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 shareholder 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.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, and lease liabilities but excludes redeemable capital contributions) less cash. Adjusted capital comprises all components of equity and redeemable capital contributions.

The Group's adjusted net debt-to-capital ratio as at 31 December 2021, 2022 and 2023 and were as follows:

		Years ended 31 December		
	Note	**2021**	**2022**	**2023**
		RMB'000	*RMB'000*	*RMB'000*
Current liabilities:				
Bank loans and other borrowings	*24*	150,663	211,650	342,000
Loans from related parties	*33*	5,349	–	–
Lease liabilities	*25*	2,302	4,128	8,115
		158,314	215,778	350,115
Non-current liabilities:				
Bank loans and other borrowings	*24*	–	10,000	10,000
Lease liabilities	*25*	6,614	8,589	10,684
		6,614	18,589	20,684
Total debt		164,928	234,367	370,799
Less: Cash	*21(a)*	(10,641)	(20,434)	(46,876)
Adjusted net debt		154,287	213,933	323,923
Total equity		109,760	34,643	7,572
Add: Redeemable capital contributions	*26*	265,666	527,970	852,912
Adjusted capital		375,426	562,613	860,484
Adjusted net debt-to-capital ratio		41.1%	38.0%	37.6%

30 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 are limited because the counterparties are reputable banks or financial institution, which the Group considered to present low credit risks. The Group's exposure to credit risk arising from refundable rental deposits is considered to be low, taking into account (i) the landlords' credit rating and (ii) the remaining lease term and the period covered by the rental deposits. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Group's exposure to credit risk arising from trade receivables is influenced mainly by the individual characteristics of each customer. The default risk of the industry or country in which the customers operate also has an influence on credit risk. As at 31 December 2021, 2022 and 2023, 53.8%, 51.7% and 36.1% of the total trade receivables were due from the Group's top five largest customers. Trade receivables are generally due within 180 to 270 days from the date of billing.

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, taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates.

The Group measures loss allowances for trade receivables at lifetime ECL. The Group determines ECL by using a provision matrix, estimated based on historical credit loss experience, the past default experience of the debtor, general economic conditions of the industry and country in which the debtors operates and an assessment of both the current and the forecast duration of condition as at 31 December 2021, 2022 and 2023. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished among the Group's different customer bases.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables, including trade-related balances in amounts due from related parties, as at 31 December 2021, 2022 and 2023:

	As at 31 December 2021		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	*RMB'000*	*RMB'000*
Current (not past due)	7.7%	209,856	16,095
Less than 12 months past due	33.6%	27,773	9,326
More than 12 months but less than 24 months past due	58.4%	7,760	4,528
More than 24 months but less than 36 months past due	83.4%	1,563	1,303
More than 36 months past due	100.0%	1,116	1,116
		248,068	32,368

	As at 31 December 2022		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	7.9%	221,075	17,553
Less than 12 months past due	27.6%	137,776	37,998
More than 12 months but less than 24 months past due	51.5%	18,359	9,456
More than 24 months but less than 36 months past due	76.0%	1,755	1,334
More than 36 months past due	100.0%	138	138
		379,103	66,479

	As at 31 December 2023		
	Expected loss rate	Gross carrying amount	Loss allowance
	%	RMB'000	RMB'000
Current (not past due)	10.7%	491,480	52,433
Less than 12 months past due	26.4%	177,186	46,837
More than 12 months but less than 24 months past due	60.9%	33,882	20,634
More than 24 months but less than 36 months past due	91.0%	1,996	1,816
More than 36 months past due	100.0%	138	138
		704,682	121,858

Expected loss rate are based on actual loss experience over the past 4 years. These rates are adjusted to reflect differences in economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over expected lives of the receivables.

The following significant changes in the gross carrying amounts of trade receivables contributed to the change in the loss allowance during the 2021, 2022 and 2023:

– origination of new trade receivables net of those settled resulted in an increase of RMB10,048,000, RMB1,458,000 and RMB34,880,000 in loss allowance, respectively;

– change in past due trade receivables resulted in an increase of RMB7,396,000, RMB41,104,000 and RMB20,499,000 in loss allowance, respectively; and

– write-off of trade receivables with a gross carrying amount of RMB nil, RMB8,451,000 and RMB nil resulted in a decrease in loss allowance, respectively.

(b) Liquidity risk

The management are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realizable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of each reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

	As at 31 December 2021					
	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 and other borrowings	154,672	–	–	–	154,672	150,663
Trade and other payables	45,690	–	–	–	45,690	45,690
Lease liabilities	2,617	2,155	4,924	–	9,696	8,916
Redeemable capital contributions	265,666	–	–	–	265,666	265,666
	468,645	2,155	4,924	–	475,724	470,935

	As at 31 December 2022					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	216,433	700	10,700	–	227,833	221,650
Trade and other payables	57,656	–	–	–	57,656	57,656
Lease liabilities	4,549	3,451	5,676	–	13,676	12,717
Redeemable capital contributions	527,970	–	–	–	527,970	527,970
	806,608	4,151	16,376	–	827,135	819,993

	As at 31 December 2023					
	Within 1 year or on demand	**More than 1 year but less than 2 years**	**More than 2 years but less than 5 years**	**More than 5 years**	**Total**	**Carrying amount**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Bank loans and other borrowings	348,553	10,700	–	–	359,253	352,000
Trade and other payables	39,709	–	–	–	39,709	39,709
Lease liabilities	8,690	5,008	6,192	4	19,894	18,799
Redeemable capital contributions	852,912	–	–	–	852,912	852,912
	1,249,864	15,708	6,192	4	1,271,768	1,263,420

(c) Interest rate risk

The Group's interest-bearing financial instruments at variable rates are the cash at bank as at 31 December 2021, 2022 and 2023. The Group's interest-bearing financial instruments at fixed interest rates are loans and borrowings as at 31 December 2021, 2022 and 2023 that are measured at amortised cost.

The Group's income and operating cash flows are substantially independent of exchanges in market interest rates and the Group has no significant interest-bearing assets except for cash.

(d) Currency risk

As at 31 December 2021, 2022 and 2023, the Group is not exposed to significant foreign currency risk since financial assets and liabilities denominated in currencies other than the functional currencies of the Company and its subsidiaries are not significant.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available;

Level 3 valuations: Fair value measured using significant unobservable inputs.

Analysis on fair value measurement of financial instruments as at 31 December 2021, 2022 and 2023 are as follows:

	Fair value at 31 December 2021	**Fair value measurement at 31 December 2021 categorized into**		
		Level 1	**Level 2**	**Level 3**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	516	–	–	516
Financial assets at FVPL				
– Unlisted equity securities *(ii)*	20,000	–	–	20,000
	20,516	–	–	20,516
Liability:				
Redeemable capital contributions *(iii)*	265,666	–	–	265,666

	Fair value at 31 December 2022	Fair value measurement at 31 December 2022 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	560	–	–	560
Financial assets at FVPL				
– Unlisted equity securities *(ii)*	28,337	–	–	28,337
	28,897	–	–	28,897
Liability:				
Redeemable capital contributions *(iii)*	527,970	–	–	527,970

	Fair value at 31 December 2023	Fair value measurement at 31 December 2023 categorized into		
		Level 1	Level 2	Level 3
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Assets:				
Financial assets at FVOCI				
– Unlisted equity securities *(i)*	771	–	–	771
Financial assets at FVPL				
– Unlisted equity securities *(ii)*	28,595	–	–	28,595
	29,366	–	–	29,366
Liability:				
Redeemable capital contributions *(iii)*	852,912	–	–	852,912

During the years ended 31 December 2021, 2022 and 2023, there were no transfers, or transfers into or out of Level 3. The Group's policy is to recognize transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

Information about Level 3 fair value measurements:

	Valuation techniques	Significant unobservable inputs
Unlisted equity securities *(i)*	The comparable company approach *(Note i)*	DLOM
Unlisted equity securities *(ii)*	The adjusted latest round financing price approach *(Note ii)*	Changing trend of average market multiples of comparable companies
Redeemable capital contributions *(iii)*	Discounted cash flow *(Note iii)*	DLOM and Discount rate

(i) The fair value of certain unlisted equity security is determined average market multiples of comparable companies. As at 31 December 2021, 2022 and 2023, it is estimated that with all other variables held constant, an increase/decrease in change of DLOM by 5% would have decreased/increased the Group's other comprehensive income by RMB37,000, RMB39,000 and RMB39,000, respectively.

(ii) The fair value of certain unlisted equity security is determined using latest round financing price adjusted for changing trend of average market multiples of comparable companies. The fair value measurement is positively correlated to the changing trend of average market multiples of comparable companies. As at 31 December 2021, 2022 and 2023, it is estimated that with all other variables held constant, an increase/decrease in change of average market multiples of comparable companies by 5% would have increased/decreased the Group's profit by RMB1,000,000, decreased/increased the Group's loss by RMB2,518,000 and decreased/increased the Group's loss by RMB1,512,000, respectively.

(iii) The sensitivity analysis for redeemable capital contributions was disclosed in Note 26.

The following table shows a reconciliation from the beginning balances to the ending balances of financial assets for fair value measurement in Level 3 of the fair value hierarchy:

	Financial assets at FVOCI	Financial assets at FVPL	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 1 January 2021	615	–	615
Purchase	–	20,000	20,000
Net realized and unrealized gains on financial assets at fair value other comprehensive income	(99)	–	(99)
As at 31 December 2021	516	20,000	20,516
Net realized and unrealized gains on financial assets at fair value other comprehensive income	44	–	44
Net realized and unrealized losses on financial liabilities at fair value through profit or loss	–	8,337	8,337

	Financial assets at FVOCI	Financial assets at FVPL	Total
	RMB'000	*RMB'000*	*RMB'000*
As at 31 December 2022	560	28,337	28,897
Net realized and unrealized gains on financial assets at fair value other comprehensive income	211	–	211
Net realized and unrealized losses on financial liabilities at fair value through profit or loss	–	258	258
As at 31 December 2023	771	28,595	29,366

The changes of redeemable capital contributions for the years ended 31 December 2021, 2022 and 2023 have been presented in Note 26.

Any gain or loss arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognized in the fair value reserve (non-recycling) in other comprehensive income.

Upon disposal of the equity securities, the amount accumulated in other comprehensive income is transferred directly to accumulated losses.

The gains arising from the financial assets at FVPL are presented in the "Changes in fair value of financial assets measured at fair value through profit or loss" line item in the consolidated statements of profit or loss.

All financial instruments carried at cost or amortized cost are at amounts not materially different from their values as at 31 December 2021, 2022 and 2023.

31 COMMITMENTS

Commitments outstanding at 31 December 2021, 2022 and 2023 not provided for in the financial statements were as follows:

	As at 31 December		
	2021	2022	2023
	RMB'000	*RMB'000*	*RMB'000*
Purchase of network and other telecommunication resource costs	424,246	291,400	180,306
Purchase of property, equipment and intangible assets	19,833	68,236	95,300

32 CONTINGENT LIABILITIES

As at 31 December 2021, 2022 and 2023, the Group does not have any material contingent liabilities.

33 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9, is as follows:

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Short-term employee benefits	4,173	5,973	8,167
Contributions to defined contribution retirement plans	278	382	497
	4,451	6,355	8,664

Total remuneration is included in "staff costs" (see Note 6(b)).

(b) Related party transactions

During the Track Record Periods, the directors are of the view that the following personals and companies are related parties:

Name of party	Relationship
Jinghua Tang	Founder of the Company and Shareholder
Qi Sun	Shareholder
Yerong Shi*	Shareholder
Shanghai Chenqi Information Consulting Co., Ltd.**	The entity controlled by Yerong Shi
Shanghai Voicecomm Rongzhi Technology Group Co., Ltd.**	The entity controlled by Jinghua Tang
QianHai (ShangHai) Technology Inc., Co.**	The entity controlled by Tiantian Ma

* On 23 August 2021, Yerong Shi and Jinghua Tang signed the agreement to cease Yerong Shi acting in concert with Jinghua Tang. Yerong Shi was not being related parties from the ceasing date.

** The English translation of these entities is for reference only. The official names of the entities established in the PRC are in Chinese.

(c) Guarantees and pledges issued by related parties

Certain bank facilities granted to the Group were guaranteed or secured with pledges issued by related parties. An analysis of the carrying value of these liabilities in Note 24.

(d) Significant related party transactions

During the years ended 31 December 2021, 2022 and 2023, the Group had following transactions with related parties:

Trade in nature

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB’000	*RMB’000*	*RMB’000*
– Purchase from			
QianHai (ShangHai) Technology Inc., Co. *(i)*	–	–	14,708

Non-trade in nature

	Years ended 31 December		
	2021	**2022**	**2023**
	RMB’000	*RMB’000*	*RMB’000*
– Loan and advance to relate party			
Jinghua Tang *(ii)*	3,000	–	–
Shanghai Chenqi Information Consulting Co., Ltd. *(ii)*	2,000	–	–
	5,000	–	–
– Repayment of related parties loans			
Jinghua Tang *(ii)*	–	3,130	–
Yerong Shi *(ii)*	–	2,349	–
Shanghai Chenqi Information Consulting Co., Ltd. *(ii)*	2,000	–	–
	2,000	5,479	–
– Disposal of interests in associates			
Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. *(Note 16)*	–	–	2,000
– Expenses paid on behave of shareholders			
Yerong Shi	–	–	684
Jinghua Tang	–	–	26
	–	–	710
– Repayment of company advances			
Yerong Shi	–	–	684
Jinghua Tang	–	–	26
	–	–	710

(i) The Group purchased hardware and software for fulfilment of sales contract.

(ii) The Group's related party transactions are based on the Group's financing arrangements. The interest rates on related party borrowings do not compare unfavorably with market terms.

(e) Significant related party balances

At 31 December 2021, 2022 and 2023, the Group had following balances with related parties:

Trade in nature

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
– Prepayment-current			
QianHai (ShangHai) Technology Inc., Co.	–	–	386

Non-trade in nature

	As at 31 December		
	2021	**2022**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
– Other payables and accruals			
Jinghua Tang	3,000	–	–
Yerong Shi	2,349	–	–
	5,349	–	–

34 BUSINESS COMBINATIONS

(i) Yuanya Information acquisition

On 19 July 2021, the Company acquired 51% equity interests in Yuanya Information from a third party at a cash consideration of RMB20,400,000 to enhance the Group's service capabilities in vehicle sector.

From the dates of acquisitions to 31 December 2021, Yuanya Information contributed revenue of RMB11,291,000 and net profit of RMB1,197,000, respectively. During the year ended 31 December 2021, Yuanya Information contributed revenue of RMB11,291,000 and net profit of RMB1,197,000, respectively, had the acquisition been completed as at 1 January 2021.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the respective dates of acquisitions:

	Fair value on acquisition
	RMB'000
Purchase consideration	
Total acquisition price	20,400
Identifiable assets and liabilities:	
Other receivables	1,995
Intangible assets	
– Patents	8,600
Other payables and accruals	(1,995)
Deferred tax liabilities	(2,150)
Net identifiable assets acquired	6,450
Less: non-controlling interests	(3,161)
Add: goodwill *(Note 15)*	17,111
Net assets acquired	20,400

(ii) Jinxun Digital Intelligence acquisition

On 30 December 2022, the Company acquired 51% equity interests in Jinxun Digital Intelligence from a third party at a cash consideration of RMB28,050,000 to enhance the Group's service capabilities in voice communication sector.

From the dates of acquisitions to 31 December 2022, Jinxun Digital Intelligence contributed revenue of RMB nil and net profit of RMB nil, respectively. During the year ended 31 December 2022, Jinxun Digital Intelligence contributed revenue of RMB nil and net profit of RMB nil, respectively, had the acquisition been completed as at 1 January 2022.

The following table summarizes the estimated fair value of the assets acquired and liabilities assumed at the respective dates of acquisitions:

	Fair value on acquisition
	RMB'000
Purchase consideration	
Total acquisition price	28,050
Identifiable assets and liabilities:	
Intangible assets	
– Patents	9,000
Cash	5,000
Deferred tax liabilities	(2,250)
Net identifiable assets acquired	11,750
Less: non-controlling interests	(5,757)
Add: goodwill *(Note 15)*	22,057
Net assets acquired	28,050

35 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2021, 2022 and 2023, the directors consider the immediate controlling parties of the Group to be Jinghua Tang and his concert parties, and ultimate controlling party of the Group to be Jinghua Tang.

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE TRACK RECORD PERIODS

Up to the date of issue of these financial statements, the IASB has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 1, *Classification of liabilities as current or non-current*	1 January 2024
Amendments to IFRS 16, *Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to IAS 1, *Non-current Liabilities with Covenants*	1 January 2024
Amendments to IAS 7 and IFRS 7, *Supplier Finance Arrangements*	1 January 2024
Amendments to IAS 21, *Lack of exchangeability*	1 January 2025
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	Available for optional adoption/effective date deferred indefinitely

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

37 SUBSEQUENT EVENTS

Subsequent to December 31, 2023, there is no significant subsequent event.

Subsequent Financial Statements

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 31 December 2023.

The information set forth in this appendix does not form part of the accountants' report prepared by KPMG, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this document, and is included herein for illustrative purposes only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this document and the accountants' report set forth in Appendix I to this document.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted net tangible assets of our Group is prepared in accordance with Rule 4.29 of the Listing Rules and is set out below for the purpose to illustrate the effect of the Global Offering on the consolidated net tangible liabilities attributable to equity shareholders of the Company as of 31 December 2023 as if it had taken place on 31 December 2023.

The statement of unaudited pro forma adjusted net tangible assets has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group had the Global Offering been completed as of 31 December 2023 or at any future date.

	Consolidated net tangible liabilities attributable to the equity shareholders of the Company as of 31 December 2023(1)	Estimated net proceeds from this Global offering(2)(5)	Estimated impact upon the derecognition of redeemable capital contributions(3)	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company(6)	Unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company per Share(4)	
		(in thousands of RMB)			*RMB(4)*	*HK$(5)*
Based on an Offer Price of HK$152.10 per Share	(154,823)	541,848	852,912	1,239,937	35.00	38.38

Notes:

(1) The consolidated net tangible liabilities attributable to the equity shareholders of the Company as of 31 December 2023 is calculated based on the audited Consolidated total deficit attributable to the equity shareholders of the Company as of 31 December 2023 of RMB11,683,000 extracted from the Accountants' Report set out in Appendix I to this Prospectus, after deduction of intangible assets attributable to the equity shareholders of the Company of RMB103,972,000 and goodwill of RMB39,168,000.

(2) The estimated net proceeds from this Global Offering are based on the expected issuance of 4,365,660 H shares and the indicative Offer Prices of HK$152.10, after deduction of the estimated underwriting fees and other estimated related expenses payable by the Group (excluding listing expenses of RMB20,509,000 which have been expensed prior to 31 December 2023) and does not take into account of any shares which may be issued upon the exercise of the Over-allotment Option.

(3) The carrying amount of redeemable capital contributions was RMB852,912,000 as of 31 December 2023 (as set out in Note 26 to the Historical Financial Information included in the Accountant's Report in Appendix I to this Prospectus). Upon the Listing and completion of the Global Offering, special rights attributable to the investors of the redeemable capital contributions will be removed, and these redeemable capital contributions will be derecognized as liabilities and transferred to equity.

(4) The unaudited pro forma adjusted net tangible assets attributable to equity shareholders of the Company per Share is arrived at after adjustments on the basis that 35,424,890 Shares were in issue assuming that the Global Offering had been completed on 31 December 2023 without taking into account of the Shares may be issued upon exercise of the Over- allotment Option.

(5) For illustrative purpose, the estimated net proceeds from the Global Offering is converted from the Hong Kong Dollar into Renminbi and the unaudited pro forma adjusted net tangible assets attributable to the equity shareholders of the Company per Share is converted from Renminbi into Hong Kong Dollar at the exchange rate of HK$1 to RMB0.9120, the exchange rate set by PBOC prevailing on 20 June 2024. No representation is made that the Hong Kong Dollars amounts have been, could have been or may be converted to Renminbi, or vice versa, at that rate.

(6) No adjustment has been made to the unaudited pro forma adjusted net tangible assets attributable to equity shareholder of the Company to reflect any trading results or other transactions entered into subsequent to 31 December 2023.

The following is the text of a report received from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the purpose in this prospectus.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

TO THE DIRECTORS OF 上海聲通信息科技股份有限公司 SHANGHAI VOICECOMM INFORMATION TECHNOLOGY CO., LTD.*

We have completed our assurance engagement to report on the compilation of pro forma financial information of Shanghai Voicecomm Information Technology Co., Ltd. (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted net tangible assets as at 31 December 2023 and related notes as set out in Appendix II to the prospectus dated 28 June 2024 (the "Prospectus") issued by the Company. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix II to the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed offering of the ordinary shares of the Company (the "Global Offering") on the Group's financial position as at 31 December 2023 as if the Global Offering had taken place at 31 December 2023. As part of this process, information about the Group's financial position as at 31 December 2023 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

* *For identification purpose only.*

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 4.29 of the Listing Rules, and with reference to AG 7 issued by the HKICPA.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of events or transactions as at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our procedures on the pro forma financial information have not been carried out in accordance with attestation standards or other standards and practices generally accepted in the United States of America, auditing standards of the Public Company Accounting Oversight Board (United States) or any overseas standards and accordingly should not be relied upon as if they had been carried out in accordance with those standards and practices.

We make no comments regarding the reasonableness of the amount of net proceeds from the issuance of the Company's shares, the application of those net proceeds, or whether such use will actually take place as described in the section headed "Future Plans and Use of Proceeds" in the Prospectus.

Opinion

In our opinion:

(a) the pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group, and

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

28 June 2024

TAXATION FOR HOLDERS OF SECURITIES

Income tax and capital gains tax of holders of the H Shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of H Shares are residents or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws and policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change and may have retrospective effect.

No issues on PRC or Hong Kong taxation other than income tax, capital gain tax and profits tax, business tax/VAT, stamp duty and estate duty were referred in the discussion. Prospective investors are urged to consult their financial advisors regarding the PRC, Hong Kong and other tax consequences of owning and disposing of the H Shares.

THE PRC TAXATION

Taxation on Dividends

Individual Investor

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), which was most recently amended on August 31, 2018 and the Implementation Provisions of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》), which was most recently amended on December 18, 2018 (hereinafter collectively referred to as the "**IIT Law**"), dividends distributed by PRC enterprises are subject to individual income tax levied at a flat rate of 20%. For a foreign individual who is not a resident of the PRC, the receipt of dividends from an enterprise in the PRC is normally subject to individual income tax of 20% unless specifically exempted by the tax authority of the State Council or reduced by relevant tax treaty.

Pursuant to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (hereinafter referred to as the "**Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income** (《對所得避免雙重徵稅和防止偷漏稅的安排》)") signed by the Mainland of China and the Hong Kong Special Administrative Region on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於<內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排>第五議定書》) (the "**Fifth Protocol** (《第五協議書》)") issued by the SAT and became effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

In accordance with the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) issued by NPC on March 16, 2007 and latest amended on December 29, 2018 and the Implementation Provisions of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on December 6, 2007, came into effect on January 1, 2008 and amended on April 23, 2019 (hereinafter collectively referred to as the "**EIT Law**"), a non-resident enterprise is generally subject to a 10% enterprise income tax on PRC-sourced income (including dividends received from a PRC resident enterprise), if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. The aforesaid income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such withholding tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

The Circular of the State Administration of Tax on Issues Relating to the Withholding and Remitting of Enterprise Income Tax by PRC Resident Enterprises on Dividends Distributed to Overseas Non-Resident Enterprise Shareholders of H Shares (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》), which was issued and implemented by the SAT on November 6, 2008, further clarified that a PRC-resident enterprise must withhold corporate income tax at a rate of 10% on the dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008. Non-PRC resident enterprise shareholders who need to enjoy tax treaty benefits, the relevant provisions of such tax treaty shall apply.

Pursuant to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol (《第五協議書》) provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Although there may be other provisions under the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《對所得避免雙重徵稅和防止偷漏稅的安排》), the treaty benefits under the criteria shall not be granted in the circumstance where relevant gains, after taking into account all relevant facts and conditions, are reasonably deemed to be one of the main purposes for the arrangement or transactions which will bring any direct or indirect benefits under this Arrangement, except when the grant of benefits under such circumstance is consistent with relevant objective and goal under the Arrangement. The application of the dividend clause of tax agreements is subject to the requirements of PRC tax law and regulation, such as the Notice of the State Administration of Taxation on the Issues Concerning the Application of the Dividend Clauses of Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》).

Tax Treaties

Non-resident investors residing in jurisdictions which have entered into treaties or adjustments for the avoidance of double taxation with the PRC might be entitled to a reduction of the Chinese corporate income tax imposed on the dividends received from PRC companies. The PRC currently has entered into Avoidance of Double Taxation Treaties or Arrangements with a number of countries and regions including Hong Kong Special Administrative Region, Macau Special Administrative Region, Australia, Canada, France, Germany, Japan, Malaysia, the Netherlands, Singapore, the United Kingdom and the United States. Non-PRC resident enterprises entitled to preferential tax rates in accordance with the relevant taxation treaties or arrangements are required to apply to the Chinese tax authorities for a refund of the corporate income tax in excess of the agreed tax rate, and the refund application is subject to approval by the Chinese tax authorities.

Taxation on Share Transfer

VAT and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業稅改徵增值稅試點的通知》) (the "**Circular 36**"), which was implemented on May 1, 2016 and partially repealed on July 1, 2017, January 1, 2018 and April 1, 2019, entities and individuals engaged in the services sale in the PRC are subject to VAT and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer. However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家稅務總局關於個人金融商品買賣等營業稅若干免稅政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares; if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside the PRC, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT.

However, in view of no clear regulations, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge, which shall be usually subject to 12% of the VAT payable (if any).

Income Tax

Individual Investors

According to the IIT Law, gains on the transfer of equity interests in the PRC resident enterprises are subject to individual income tax at a rate of 20%.

Pursuant to the Circular on Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》) issued by the SAT on March 30, 1998, from January 1, 1997, income of individuals from transfer of the shares of listed enterprises continues to be exempted from individual income tax. The SAT has not expressly stated whether it will continue to exempt tax on income of individuals from transfer of the shares of listed enterprises in the latest amended IIT Law.

However, on December 31, 2009, the Ministry of Finance, SAT and CSRC jointly issued the Circular on Related Issues on Levying Individual Income Tax over the Income Received by Individuals from the Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的通知》), which came into effect on January 1, 2010, which states that individuals' income from the transfer of listed shares obtained from the public offering of listed companies and transfer market on the Shanghai Stock Exchange and the Shenzhen Stock Exchange shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restriction (as defined in the Supplementary Notice on Issues Concerning the Levy of Individual Income Tax on Individuals' Income from the Transfer of Restricted Stocks of Listed Companies (《關於個人轉讓上市公司限售股所得徵收個人所得税有關問題的補充通知》) jointly issued and implemented by such departments on November 10, 2010). As of the Latest Practicable Date, no aforesaid provisions have expressly provided that individual income tax shall be levied from non-Chinese resident individuals on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

In accordance with the EIT Law, a non-resident enterprise is generally subject to corporate income tax at the rate of a 10% on PRC-sourced income, including gains derived from the disposal of equity interests in a PRC resident enterprise, if it does not have an establishment or premise in the PRC or has an establishment or premise in the PRC but its PRC-sourced income has no real connection with such establishment or premise. Such income tax payable for non-resident enterprises are deducted at source, where the payer of the income is required to withhold the income tax from the amount to be paid to the non-resident enterprise. Such tax may be reduced or exempted pursuant to relevant tax treaties or agreements on avoidance of double taxation.

Stamp Duty

According to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated on June 10, 2021 and came into effect on July 1, 2022, PRC stamp duty only applies to specific taxable document executed or received within the PRC, having legally binding force in the PRC and protected under the PRC laws, thus the requirements of the stamp duty imposed on the transfer of shares of PRC listed companies shall not apply to the acquisition and disposal of H Shares by non-PRC investors outside of the PRC.

Estate Duty

As of the date of this prospectus, no estate duty has been levied in the PRC under the PRC laws.

EIT

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as "**an enterprise**" or "**enterprises**") within the territory of the PRC are the taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with the provisions of the EIT Law. The Enterprise Income Tax rate is 25%.

According to the Administrative Measures for Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》), which was promulgated by the Ministry of Science and Technology, the Ministry of Finance and the State Administration of Taxation on April 14, 2008, amended on January 29, 2016 and became effective on January 1, 2016, an enterprise recognized as a high and new technology enterprise may apply for a preferential enterprise income tax rate of 15% pursuant to the relevant requirements of the EIT Law.

VAT

Pursuant to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) issued on December 13, 1993 by the State Council, came into effect on January 1, 1994, and revised on November 10, 2008, February 6, 2016 and November 19, 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) issued on December 25, 1993 by the MOF, came into effect on the same day and revised on December 15, 2008 and October 28, 2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, and import of goods within the territory of the PRC are taxpayers of VAT and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%. With the VAT reforms in the PRC, the rate of VAT has been changed several times. The MOF and the SAT issued the Notice of on Adjusting VAT Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer's VAT taxable sale or import of goods to 16% and 10%, respectively, this adjustment became effect on May 1, 2018. Subsequently, the MOF, the SAT and the

General Administration of Customs jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《財政部、國家稅務總局關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

TAXATION IN HONG KONG

Tax on Dividends

Under the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends paid by us.

Capital Gains Tax and Profit Tax

No tax is imposed in Hong Kong in respect of capital gains from the sale of H Shares. However, trading gains from the sale of the H Shares by persons carrying on a trade, profession or business in Hong Kong, where such gains are derived from or arise in Hong Kong from such trade, profession or business will be subject to Hong Kong profits tax, which is currently imposed at the maximum rate of 16.5% on corporations and at the maximum rate of 15% on unincorporated businesses. Certain categories of taxpayers (for example, financial institutions, insurance companies and securities dealers) are likely to be regarded as deriving trading gains rather than capital gains unless these taxpayers can prove that the investment securities are held for long-term investment purposes. Trading gains from sales of H Shares effected on the Hong Kong Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of H Shares effected on the Hong Kong Stock Exchange realized by persons carrying on a business of trading or dealing in securities 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 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.

Estate Duty

The Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect on February 11, 2006 in Hong Kong, pursuant to which no Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application of a grant of representation in respect of holders of H Shares whose deaths occur on or after February 11, 2006.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is Renminbi, which is currently subject to foreign exchange control and cannot be freely converted into foreign currency. The SAFE, with the authorization of the People's Bank of China (the "**PBOC**"), is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange control regulations.

The Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which was issued by the State Council on January 29, 1996, implemented on April 1, 1996 and latest amended on 5 August 2008, classifies all international payments and transfers into current items and capital items. Current items are subject to the reasonable examination of the veracity of transaction documents and the consistency of the transaction documents and the foreign exchange receipts and payments by financial institutions engaging in conversion and sale of foreign currencies and supervision and inspection by the foreign exchange control authorities. For capital items, overseas organizations and overseas individuals making direct investments in the PRC shall, upon approval by the relevant authorities in charge, process registration formalities with the foreign exchange control authorities. Foreign exchange income received overseas can be repatriated or deposited overseas, and foreign exchange and foreign exchange settlement funds under the capital account are required to be used only for purposes as approved by the competent authorities and foreign exchange administrative authorities. In the event that international revenues and expenditure occur or may occur a material misbalance, or the national economy encounters or may encounter a severe crisis, the State may adopt necessary safeguard and control measures on international revenues and expenditure.

The Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》), which was promulgated by the PBOC on June 20, 1996 and implemented on July 1, 1996, removes other restrictions on convertibility of foreign exchange under current items, while imposing existing restrictions on foreign exchange transactions under capital account items.

According to the Announcement on Improving the Reform of the Renminbi Exchange Rate Formation Mechanism (《關於完善人民幣匯率形成機制改革的公告》), which was issued by the PBOC and implemented on July 21, 2005, the PRC has started to implement a managed floating exchange rate system in which the exchange rate would be determined based on market supply and demand and adjusted with reference to a basket of currencies since July 21, 2005. Therefore, the Renminbi exchange rate was no longer pegged to the U.S. dollar.

PBOC would publish the closing price of the exchange rate of the Renminbi against trading currencies such as the U.S. dollar in the interbank foreign exchange market after the closing of the market on each working day, as the central parity of the currency against Renminbi transactions on the following working day.

According to the relevant laws and regulations in the PRC, PRC enterprises (including foreign investment enterprises) which need foreign exchange for current item transactions may, without the approval of the foreign exchange administrative authorities, effect payment through foreign exchange accounts opened at the designated foreign exchange bank, on the strength of valid transaction receipts and proof. Foreign investment enterprises which need foreign exchange for the distribution of profits to their shareholders and PRC enterprises which, in accordance with regulations, are required to pay dividends to their shareholders in foreign exchange (such as our Company) may, on the strength of resolutions of the board of directors or the shareholders' meeting on the distribution of profits, effect payment from foreign exchange accounts at the designated foreign exchange bank, or effect exchange and payment at the designated foreign exchange bank.

According to the Decisions on Matters including Canceling and Adjusting a Batch of Administrative Approval Items (《國務院關於取消和調整一批行政審批項目等事項的決定》) which was promulgated by the State Council on October 23, 2014, it decided to cancel the approval requirement of the SAFE and its branches for the remittance and settlement of the proceeds raised from the overseas listing of the foreign shares into RMB domestic accounts.

According to the Notice of the State Administration of Foreign Exchange on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) issued by the SAFE and implemented on December 26, 2014, a domestic company shall, within 15 business days from the date of the end of its overseas listing issuance, register the overseas listing with the local branch office of state administration of foreign exchange at the place of its establishment; the proceeds from an overseas listing of a domestic company may be remitted to the domestic account or deposited in an overseas account, but the use of the proceeds shall be consistent with the content of the prospectus and other disclosure documents.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionizing and Regulating Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) which was promulgated by the SAFE and implemented on June 9, 2016, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions.

This Appendix contains a summary of laws and regulations on companies and securities in the PRC, certain major differences between the PRC Company Law and Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Companies Ordinance as well as the additional regulatory provisions of the Stock Exchange on joint stock limited companies of the PRC. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is with no intention to include all the information which may be important to the potential investors. For discussion of laws and regulations specifically governing the business of the Company, see "Regulatory Overview" in this prospectus.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023年修訂)》) (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 civil and criminal 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 supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC 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 requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, PBOC, National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations in terms of urban and rural development and management, environmental protection, and historical and cultural protection based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities. The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations 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 local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous prefecture within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations that contravene the Constitution and laws, to annul any local regulations that contravene the Constitution, laws or administrative regulations, and to annul any autonomous regulations or local 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 ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or 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 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 laws is vested in the SCNPC. According to the Decision of the Standing Committee of the NPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於

加強法律解釋工作的決議》) passed on June 10, 1981, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICIAL SYSTEM

Under the Constitution and the PRC Law on the Organization of the People's Courts (2018 revision) (《中華人民共和國法院組織法(2018年修訂)》), the PRC judicial system 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 comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The higher level people's courts supervise the primary and intermediate people's courts. The people's procuratorates also have the right to exercise legal supervision over the civil proceedings of people's courts of the same level and lower levels. The Supreme People's Court is the highest judicial body in the PRC. It supervises the judicial administration of the people's courts at all levels.

The PRC Civil Procedure Law (2023 revision) (《中華人民共和國民事訴訟法(2023年修訂)》) (the "**Civil Procedure Law**"), which was adopted in 1991 and amended in 2007, 2012, 2017, 2021 and 2023, sets forth the criteria 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. Generally, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either the plaintiff's or the defendant's domicile, the place of execution or implementation of the contract or the place of the object of the action, provided that such choice shall not violate the requirements of the level of jurisdiction and exclusive jurisdiction.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people's court or an award made by an arbitration panel in the PRC, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the stipulated time, the court will, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people's court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest.

Pursuant to arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院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》), which came into effect on January 29, 2024, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of China or Hong Kong court.

THE COMPANY LAW

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following three laws and regulations in the PRC:

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**") which was promulgated by the Standing Committee of the NPC on December 29, 1993, came into effect on July 1, 1994, revised on December 25,1999, August 28, 2004, October 27, 2005, December 28, 2013 and December 29, 2023 respectively and the latest revision of which was implemented on July 1, 2024.

Set out below is a summary of the major provisions of the Company Law applicable to the Company.

General

A joint stock limited company refers to an enterprise legal person incorporated in accordance with the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by laws, the joint stock limited company may not be a contributor that undertakes joint and several liabilities for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of two but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers representing at least half of the shares in the company. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the board of supervisors of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority. Joint stock limited companies established by the subscription method shall file the approval on the offering of shares issued by the securities administration department of the State Council with the company registration authority for record.

A joint stock limited company's promoters shall be liable for: (i) the payment of all expenses and debts incurred in the incorporation process jointly and severally if the company cannot be incorporated; (ii) the refund of subscription monies to the subscribers, together with interest, at bank rates for a deposit of the same term jointly and severally if the company cannot be incorporated; and (iii) damages suffered by the company as a result of the default of the promoters in the course of incorporation of the company. According to the Interim Provisional

Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) promulgated by the State Council on April 22, 1993 (which is only applicable to the issuance and trading of shares in the PRC and their related activities), if a company is established by means of public subscription, the promoters of such company are required to sign on the prospectus to ensure that the prospectus does not contain any misrepresentation, serious misleading statements or material omissions, and assume joint and several responsibility for it.

Registered Capital

The promoters may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation of the assets contributed must be carried out pursuant to the provisions of the laws or administrative regulations on valuation without any over-valuation or under-valuation.

A company may issue registered or bearer share. However, shares issued to promoter(s) or legal person(s) shall be in the form of registered share and shall be registered under the name(s) of such promoter(s) or legal person(s) and shall not be registered under a different name or the name of a representative.

The transfer of shares by shareholders should be conducted via the legally established stock exchange or in accordance with other methods as stipulated by the State Council. Transfer of registered shares by a shareholder must be made by means of an endorsement or by other means stipulated by laws or administrative regulations. Bearer shares are transferred by delivery of the share certificates to the transferee.

Shares held by a promoter of a company shall not be transferred within one year after the date of the company's incorporation. Shares issued by a company prior to the public offer of its shares shall not be transferred within one year from the date of listing of the shares of the company on a stock exchange. Directors, supervisors and senior management of a company shall not transfer over 25% of the shares held by each of them in the company each year during their term of office and shall not transfer any share of the company held by each of them within one year after the listing date. There is no restriction under the Company Law as to the percentage of shareholding a single shareholder may hold in a company.

Increase of Registered Capital and Issue of Shares

According to the Company Law, in the event a company proposes to issue new shares, resolutions shall be passed at general meeting in accordance with the articles of association to determine the class, amount and issue price of the new shares. All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

After the new share issuance has been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

According to the Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the number of shares held by each shareholder;
- the serial numbers of shares held by each shareholder; and
- the date on which each shareholder acquired the shares.

Reduction of Registered Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- the company shall prepare a balance sheet and an inventory of the assets;
- the reduction of registered capital shall be approved by a general meeting;
- the company shall inform its creditors of the reduction in registered capital within 10 days and publish an announcement of the reduction in the newspaper within 30 days after the resolution approving the reduction has been passed;
- creditors shall within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide corresponding guarantees covering the debts;
- the company shall apply to the relevant administration of registration for the registration of the reduction in registered capital.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not purchase its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who vote against the resolution regarding the merger or division with other companies at a general meeting; (v) to apply shares for conversion of convertible corporate bonds issued by a listed company; and (vi) to maintain the company value and protect the shareholders' interests of a listed company as necessary.

Repurchase of its own shares on the grounds set out in (i) and (ii) above shall be subject to resolution passed by the general meeting; repurchase of its own shares on the grounds set out in (iii), (v) or (vi) above shall be subject to a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting in accordance with the provisions of the company's articles of association or as authorized by the general meeting.

Following the repurchase of its own shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of repurchase; the shares shall be transferred or canceled within six months if the repurchase of its own shares is in accordance with either (ii) or (iv) above; and the shares repurchased in accordance with (iii), (v) or (vi) above shall not exceed 10% of the company's total issued shares, and shall be transferred or canceled within three years.

A listed company shall perform its obligation of information disclosure according to the provisions of the Securities Law when repurchasing its own shares. In the event the repurchase of its own shares is in accordance with (iii), (v) or (vi) above, centralized public trading shall be adopted.

A company shall not accept its own shares as the subject matter of a mortgage.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of a general meeting or 5 days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

According to the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and the senior management shall declare to the company their shareholdings in the company and any changes of such shareholdings; they shall not transfer more than 25% of all the shares they hold in the company annually during their tenure; and they shall not transfer the shares they hold within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company.

Shareholders

According to the Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend general meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where the articles of association is violated by the above resolutions;
- the right to receive dividends and other types of interest distributed in proportion to the number of shares held;
- in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

Shareholder's General Meetings

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. According to the Company Law, the general meeting exercises the following principal powers:

- to decide on the company's operational policies and investment plans;

- to elect or remove the directors and supervisors (other than the representative of the employees of the company) and to decide on matters relating to the remuneration of directors and supervisors;
- to examine and approve reports of the board of directors;
- to examine and approve reports of the board of supervisors;
- to examine and approve the company's proposed annual financial budget and final accounts;
- to examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- to decide on any increase or reduction of the company's registered capital;
- to decide on the issue of bonds by the company;
- to decide on issues such as merger, division, dissolution and liquidation of the company and other matters;
- to amend the company's articles of association; and
- other powers as provided for in the articles of association.

Annual general meeting is required to be held once every year. Extraordinary general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in registered capital;
- when shareholders individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting;
- whenever the board of directors deems necessary;
- when the board of supervisors so requests; or
- other circumstances as provided for in the articles of associations.

According to the Company Law, general meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the general meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. In case the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

According the Company Law, notice of annual general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary general meetings shall be given to all shareholders 15 days prior to the meeting.

There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a general meeting.

According to the Company Law, shareholders present at general meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the general meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law, resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the issue of any types of shares, warrants or other similar securities; (iv) the issue of debentures; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution.

According to the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the general meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board

According to the Company Law, a joint stock limited company shall have a board of directors, which shall consist of 5 to 19 members. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

According to the Company Law, the board of directors mainly exercises the following powers:

- to convene the general meetings and report on its work to the general meetings;
- to implement the resolutions passed in general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's proposed annual financial budget and final accounts;
- to formulate the company's profit distribution proposals and loss recovery proposals;
- to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- to prepare plans for the merger, division, dissolution and change in the form of the company;
- to formulate the company's basic management system; and
- to exercise any other power under the articles of association.

Board Meetings

According to the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the board of supervisors. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for resolutions to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

Chairman of the Board

According to the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;

- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence;

- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;

- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation; or

- a person who is liable for a relatively large amount of debts that are overdue.

Board of Supervisors

A joint stock limited company shall have a board of supervisors composed of not less than three members. The board of supervisors is made up of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company. The actual proportion shall be stipulated in the articles of association, provided that the proportion of representatives of the employees shall not be less than one third of the supervisors. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he or she may serve consecutive terms if re-elected. A supervisor shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months. According to the Company Law, a resolution of the board of supervisors shall be passed by more than half of all the supervisors.

The board of supervisors exercises the following powers:

- to review the company's financial position;
- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, regulations, the articles of association or the resolutions of the general meeting;
- when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts;
- to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meeting under this law;
- to initiate proposals for resolutions to general meeting;
- to initiate proceedings against directors and senior management;
- other powers specified in the articles of association; and
- Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

Manager and Senior Management

According to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall report to the board of directors and may exercise the following powers:

- to supervise the business and administration of the company and arrange for the implementation of resolutions of the board of directors;
- to arrange for the implementation of the company's annual business plans and investment proposals;
- to formulate the general administration system of the company;

- to formulate the company's detailed rules;
- to recommend the appointment and dismissal of deputy managers and person in charge of finance;
- to appoint or dismiss other administration officers (other than those required to be appointed or dismissed by the board of directors); and
- to other powers conferred by the board of directors or the articles of association.

The manager shall comply with other provisions of the articles of association concerning his/her powers. The manager shall attend board meetings.

According to the Company Law, senior management shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Directors, supervisors and senior management of the company are required in accordance with the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management are prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating of the company's properties. Directors and senior management are prohibited from:

- misappropriation of the company's funds;
- depositing the company's funds into accounts under his own name or the name of other individuals;
- loaning company funds to others or providing guarantees in favor of others supported by the company's assets in violation of the articles of association or without prior approval of the general meeting or board of directors;
- entering into contracts or deals with the company in violation of the articles of association or without prior approval of the general meeting;
- using their position and powers to procure business opportunities for themselves or others that should have otherwise been available to the company or operating for their own benefits or managing on behalf of others businesses similar to that of the company without prior approval of the general meeting;

- accept and possess commissions paid by a third party for transactions conducted with the company;

- unauthorized divulgence of confidential business information of the company; or

- other acts in violation of their duty of loyalty to the company.

A director, supervisor or senior management who contravenes any law, regulation or the company's articles of association in the performance of his duties resulting in any loss to the company shall be personally liable to the company.

Finance and Accounting

According to the Company Law, a company shall establish financial and accounting systems in accordance with laws, administrative regulations and the regulations of the financial department of the State Council and shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A company that makes public stock offerings shall publish its financial and accounting reports.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the general meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. However, the capital reserve fund may not be applied to make up the company's losses. Upon the conversion of statutory common reserve fund into capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by general meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the general meeting or board of directors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve fund is drawn.

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the general meeting resolve to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

In the event of (i) above, a company may carry on its existence by amending its articles of association. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, a liquidation group shall be established and the liquidation process shall commence within 15 days after the occurrence of an event of dissolution.

The members of the company's liquidation group shall be composed of its directors or the personnel appointed by the general meeting. If a liquidation group is not established within the stipulated period, creditors may apply to the people's court and request the court to appoint relevant personnel to form the liquidation group. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- to handle the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the company's outstanding businesses related to liquidation;
- to pay any tax overdue as well as tax amounts arising from the process of liquidation;
- to claim credits and pay off debts;
- to handle the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days after receiving notification, or within 45 days of the public notice if he did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his claim and furnish evidence. The liquidation group shall register such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following such declaration, the liquidation group shall hand over all matters relating to the liquidation to the people's court.

Upon completion of the liquidation, the liquidation group shall submit a liquidation report to the general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration, and a public notice of its termination shall be issued. Members of the liquidation group are required to discharge their duties honestly and in compliance with the relevant laws. Members of the liquidation group shall be prohibited from abusing their powers to accept bribes or other unlawful income and from misappropriating the company's properties.

A member of the liquidation group is liable to indemnify the company and its creditors in respect of any loss arising from his intentional or gross negligence.

Overseas Listing

The shares of a company shall only be listed overseas after filed with the CSRC, and the listing must be arranged in accordance with procedures specified by the State Council.

Loss of Share Certificates

If a registered share certificate is lost, stolen or destroyed, the relevant shareholder may apply, in accordance with the relevant provisions set out in the Civil Procedure Law, to a people's court to declare such certificate invalid. After the people's court declares the invalidity of such certificate, the shareholder may apply to the company for a replacement share certificate.

Merger and Demerger

Companies may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, both companies will be dissolved.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were repealed on March 31, 2023. These regulations deal mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**") took effect on July 1, 1999 and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. This is the first national securities law in the PRC, which is divided into 14 chapters and 226 articles regulating, among other things, the issuance and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the Securities Law provides that domestic enterprises shall comply with the relevant provisions of the State Council to list its shares outside the PRC. Currently, the issuance and trading of foreign issued shares (including H shares) are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

On November 14, 2019, CSRC promulgated the Guidance for the Application for the "Full Circulation" of the 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》) and was partly revised on August 10, 2023 according to the Decision on Revising and Abolishing Part of Securities and Futures Policy Documents by CSRC (《中國證券監督管理委員會關於修改、廢止部分證券期貨制度文件的決定》). This guideline is to regulate the listing and circulation (hereinafter referred to as "**Full Circulation**") of unlisted domestic shares of domestic joint-stock limited companies (hereinafter referred to as H-share Companies) listed on the Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued in China after overseas listing and unlisted shares held by foreign shareholders).

Unlisted domestic joint stock limited companies may submit the application for "Full Circulation" simultaneously when applying for overseas initial public offering and listing.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") was passed by the SCNPC on August 31, 1994, became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017. According to the Arbitration Law, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people's court will refuse to handle the case except when the arbitration agreement is declared invalid.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, must comply with the arbitration. Disputes in respect of the definition of shareholder and disputes in relation to the issuer's register of shareholders need not be resolved by arbitration.

A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) ("**CIETAC**") in accordance with its rules or the Hong Kong International Arbitration center ("**HKIAC**") in accordance with its Securities Arbitration Rules (the "**Securities Arbitration Rules**"). Once a claimant refers a dispute or claim to arbitration, the other party shall submit to the arbitral body elected by the claimant. If the claimant elects for arbitration to be carried out at the HKIAC, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules. In accordance with the Arbitration Regulations of CIETAC (《中國國際經濟貿易仲裁委員會仲裁規則》) which was amended on November 4, 2014 and implemented on January 1, 2015, CIETAC shall deal with economic and trading disputes over contractual or non-contractual transactions, based on an agreement of the parties, including disputes involving Hong Kong based on the agreement of the parties. The arbitration commission is established in Beijing and its branches and centers have been set up in Shenzhen, Shanghai, Tianjin, Chongqing, Zhejiang, Hubei, Fujian, Shanxi, Jiangsu, Sichuan and Shandong.

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 award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is outside the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body maybe recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on June 10, 1958 pursuant to a resolution of the SCNPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC will only recognize and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. The above arrangement has been amended by the Supplementary Arrangement on Mutual Enforcement of Arbitral Awards between Mainland China and Hong Kong (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》), which adopted by the Supreme People's Court and became effective on November 27, 2020. In accordance with this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND PRC COMPANY LAW

The Hong Kong law applicable to a company incorporated in Hong Kong is based on the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Companies Ordinance and is supplemented by common law and the rules of equity that are applicable to Hong Kong. As a joint stock limited company established in the PRC that is seeking an initial listing of shares on the Hong Kong Stock Exchange, we are governed by the Company Law and all other rules and regulations promulgated pursuant to the Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the Company Law applicable to a joint stock limited company incorporated and existing under the Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

Under Hong Kong company law, a company with share capital, is incorporated by the Registrar of Companies in Hong Kong, which issues a certificate of incorporation to the company upon its incorporation and the company will acquire an independent corporate existence. A company may be incorporated as a public company or a private company. Pursuant to the Companies Ordinance, the articles of association of a private company incorporated in Hong Kong shall contain certain preemptive provisions. A public company's articles of association do not contain such pre-emptive provisions.

Under the Company Law, a joint stock limited company may be incorporated by promotion or public subscription. The minimum registered capital of a joint stock limited company is not required, unless otherwise provided by laws, administrative regulations and the decisions of the State Council, for the paid-up registered capital and the minimum registered capital of a joint stock limited company.

Hong Kong law does not prescribe any minimum registered capital requirements for a Hong Kong company.

Share Capital

The directors of a Hong Kong company may, with the prior approval of the shareholders if required, issue new shares of the company. The Company Law does not provide for authorized share capital, either. Our registered capital is the amount of our issued share capital. Any increase in our registered capital must be approved by our shareholders' general meeting and file with the relevant PRC governmental and regulatory authorities.

Under the Securities Law, an application for listing shall comply with the listing rules of the stock exchange. Hong Kong law does not prescribe any minimum capital requirements for companies incorporated in Hong Kong.

Under the Company Law, the shares may be subscribed for in the form of money or non-monetary assets (other than assets not entitled to be used as capital contributions under relevant laws and administrative regulations). For non-monetary assets to be used as capital contributions, appraisals and verification must be carried out to ensure no overvaluation or undervaluation of the assets. There is no such restriction on a Hong Kong company under Hong Kong Law.

Restrictions on Shareholding and Transfer of Shares

Under the PRC law, the domestic shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, designated qualified overseas institutional investors or qualified overseas strategic investors. Generally, overseas listed shares, which are denominated in Renminbi and subscribed for in a currency other than Renminbi, may only be subscribed for, and traded by, investors from Hong Kong, Macau and Taiwan or any country and territory outside the PRC, or qualified domestic institutional investors as allowed under Tentative Regulatory Measures for Qualified Domestic Institutional Investors Investing in Overseas Securities (《合格境內機構投資者境外證券投資管理試行辦法》). If the H Shares are eligible securities under the Southbound Trading Link, they are also subscribed for and traded by PRC investors in accordance with the rules and limits of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Under the Company Law, a promoter of a joint stock limited company is not allowed to transfer the shares it holds for a period of one year after the date of establishment of the company. Shares in issue prior to our public offering cannot be transferred within one year from the listing date of the shares on a stock exchange. Shares in a joint stock limited liability company held by its directors, supervisors and managers transferred each year during their term of office shall not exceed 25% of the total shares they held in the company, and the shares they held in the company cannot be transferred within one year from the listing date of the shares, and also cannot be transferred within half a year after the said personnel has left office. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and officers. There are no such restrictions on shareholdings and transfers of shares under Hong Kong law although there are the six-month lockup on our Company's issue of Shares and the 6-month lockup on our Controlling Shareholders' disposal of shares, as illustrated by the undertakings given by the Company and our Controlling Shareholders to the Hong Kong Stock Exchange as described in "Underwriting" in this prospectus.

Financial Assistance for Acquisition of Shares

The Company Law does not prohibit or restrict a joint stock limited company or its subsidiaries from providing financial assistance for the purpose of an acquisition of its own or its holding company's shares.

Variation of Class Rights

The Company Law has no special provision relating to variation of class rights. However, the Company Law states that the State Council can promulgate regulations relating to other kinds of shares.

Under the Companies Ordinance, no rights attached to any class of shares can be varied except (i) with the approval of a special resolution of the holders of the relevant class at a separate meeting, (ii) with the consent in writing of the holders representing three fourths of the nominal value of the issued shares in the class, (iii) with the consent of the Hong Kong company or (iv) if there are provisions in the articles of association relating to the variation of those rights, then in accordance with those provisions.

Directors, Senior Management and Supervisors

The Company Law, unlike Hong Kong company law, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respects of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

Board of Supervisors

Under the Company Law, a joint stock limited company's directors and managers are subject to the supervision of a supervisors committee. There is no mandatory requirement for the establishment of a board of supervisors for a company incorporated in Hong Kong.

Derivative Action by Minority Shareholders

Under Hong Kong law, a shareholder may, with the leave of the Court, start a derivative action on behalf of a company for any misconduct committed by its directors against the company. For example, leave may be granted where the directors control a majority of votes at a general meeting, and could thereby prevent the company from suing the directors in its own name.

The Company Law provides shareholders of a joint stock limited company with the right so that in the event where the directors and senior management violate their fiduciary obligations to a company, the shareholders individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the board of supervisors to initiate proceedings in the people's court. In the event that the board of supervisors violates their fiduciary obligations to a company, the above said shareholders may send written request to the board of directors to initiate proceedings in the people's court. Upon receipt of such written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the court in their own name.

Protection of Minorities

Under Hong Kong law, the company may be wound up by the court if the court considers that it is just and equitable to do so, in addition, a shareholder who complains that the affairs of a company incorporated in Hong Kong are conducted in a manner unfairly prejudicial to his interests may petition to the court to make an appropriate order regulating the affairs of the company. Furthermore, under certain circumstances, the Financial Secretary of Hong Kong may appoint inspectors who are given extensive statutory powers to investigate the affairs of a company incorporated in Hong Kong. The PRC law does not contain similar safeguards.

The Company Law provides that any shareholders holding 10% or more of the voting rights of all issued shares of a company may request a People's Court to dissolve the company to the extent that the operation or management of the company experiences any serious difficulties and the company continues to suffer serious losses and no other alternatives can resolve.

Notice of Shareholders' Meetings

Under the Company Law, notice of a shareholder's annual general meeting must be given not less than 20 days before the meeting, while notice of an extraordinary general meeting must be given not less than 15 days before the meeting. If a company has bearer shares, a public announcement of a general meeting must be made at least 30 days prior to the meeting.

For a company incorporated in Hong Kong with limited liability, the minimum period of notice of a general meeting is 14 days. Further, where a meeting involves consideration of a resolution requiring special notice, the company must also give its shareholders notice of the resolution at least 14 days before the meeting. The notice period for the annual shareholders' general meeting is 21 days.

Quorum for Shareholders' Meetings

Under Hong Kong law, the quorum for a general meeting must be at least two members unless the articles of association of the company otherwise provide or the company has only one member, in which case the quorum is one. For companies with only one member, the quorum must be one member.

The Company Law does not specify any quorum requirement for a shareholders' general meeting.

Voting

Under Hong Kong law, an ordinary resolution is passed by a simple majority of votes cast by members present in person or by proxy at a general meeting and a special resolution is passed by a majority of not less than three-fourths of votes cast by members present in person or by proxy at a general meeting.

Under the Company Law, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting except in cases of proposed amendments to a company's articles of association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights represented by the shareholders who attend the general meeting.

Financial Disclosure

Under the Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial report 20 days before its shareholders' annual general meeting. In addition, a joint stock limited company of which the shares are publicly offered must publish its financial report.

The Companies Ordinance requires a company incorporated in Hong Kong to send to every shareholder a copy of its balance sheet, auditors' report and directors' report, which are to be presented before the company in its annual general meeting, not less than 21 days before such meeting. A joint stock limited liability company is required under the PRC law to prepare its financial statements in accordance with the PRC GAAP.

Information on Directors and Shareholders

The Company Law gives shareholders the right to inspect the company's articles of association, minutes of the shareholders' general meetings and financial and accounting reports. Under the Articles of Association, shareholders have the right to inspect and copy (at reasonable charges) certain information on shareholders and on directors which is similar to the shareholders' rights of Hong Kong companies under Hong Kong law.

Receiving Agent

Under the Company Law and Hong Kong law, dividends once declared are debts payable to shareholders. The limitation period for debt recovery action under Hong Kong law is six years, while under the PRC law this limitation period is three years according to PRC Civil Code (《中華人民共和國民法典》), promulgated on May 28, 2020 and became effective on January 1, 2021.

Corporate Reorganization

Corporate reorganization involving a company incorporated in Hong Kong may be effected in a number of ways, such as a transfer of the whole or part of the business or property of the company in the course of voluntary winding up to another company pursuant to Section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or a compromise or arrangement between the company and its creditors or between the company and its members pursuant to Section 673 and Division 2 of Part 13 of the Companies Ordinance, which requires the sanction of the court. Under PRC law, merger, division, dissolution or change to the status of a joint stock limited liability company has to be approved by shareholders in general meeting.

Dispute Arbitration

In Hong Kong, disputes between shareholders on the one hand, and a company incorporated in Hong Kong or its directors on the other, may be resolved through legal proceedings in the courts.

Mandatory Deductions

According to the Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation. When the aggregate amount of the company's statutory reserve fund reaches 50% of the company's registered capital, the company may no longer make allocations from the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders' general meeting. There are no corresponding provisions under Hong Kong law.

Remedies of the Company

Under the Company Law, if a director, supervisor or manager in carrying out his duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director, supervisor or manager should be responsible to the company for such damages. In addition, the Listing Rules require listed companies' articles of association to provide for remedies of the company similar to those available under Hong Kong law (including rescission of the relevant contract and recovery of profits from a director, supervisor or senior management).

Dividends

The company has the power in certain circumstances to withhold, and pay to the relevant tax authorities, any tax payable under PRC law on any dividends or other distributions payable to a shareholder. Under Hong Kong law, the limitation period for an action to recover a debt (including the recovery of dividends) is six years, whereas under PRC laws, the relevant limitation period is three years. The company must not exercise its powers to forfeit any unclaimed dividend in respect of shares until after the expiry of the applicable limitation period.

Fiduciary Duties

In Hong Kong, directors owe fiduciary duties to the company, including the duty not to act in conflict with the company's interests. Furthermore, the Companies Ordinance has codified the directors' statutory duty of care.

Closure of Register of Shareholders

The Companies Ordinance requires that the register of shareholders of a company must not generally be closed for the registration of transfers of shares for more than 30 days (extendable to 60 days in certain circumstances) in a year, whereas, as required by the Company Law, share transfers shall not be registered within 30 days before the date of a shareholders' meeting or within five days before the base date set for the purpose of distribution of dividends.

Any person wishing to have detailed advice on PRC law or the laws of any jurisdiction is recommended to seek independent legal advice.

1. DIRECTORS AND BOARD OF DIRECTORS

(1) Power to allocate and issue shares

The Articles of Association provide that the shareholders may authorize the board of directors through a general mandate at a general meeting to allocate or issue shares of no more than 20% of all outstanding H shares. The board of directors shall prepare suggestions for share allotment or issue, which are subject to approval by the shareholders at the general meeting in the form of a special resolution. Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

(2) Power to dispose assets of our Company or any subsidiary

The sale of substantial assets that exceeds 30% of total assets of the latest audited financial statement are subject to approval by the shareholders at the general meeting in the form of a special resolution. The boards of directors may decide on the disposal of assets of the Company as authorized by the shareholders in a general meeting.

(3) Emoluments or compensation for directors and supervisors

The emoluments or compensation for directors and supervisors that are not representative of employees of the Company are subject to approval by the shareholders at the general meeting in the form of an ordinary resolution.

(4) Appointment, Resignation and Dismissal

The board of directors consists of ten directors, four of which are independent non-executive directors. The board of directors has one chairman. Directors are elected at the general meeting.

The chairman of the Board shall be elected and dismissed by a vote of more than one half of the directors. Provided that it is in compliance with relevant laws, regulations and rules, the shareholders' general meeting may remove any director whose term has not expired by an ordinary resolution without affecting any claim for damages that may be made pursuant to any contract.

The chairman of the Board and other directors all serve three-year terms. Upon expiration of the term, the director may be re-elected. Director can be the general manager or other senior management personnel at the same time. There is no provision in the Articles of Association that imposes any age limit for directors beyond which retirement of a director is mandatory.

None of the following persons shall serve as our director, supervisor or senior management:

i. A person who has no civil capacity or has limited civil capacity;

ii. A person who has been imposed penalty for the offense of corruption, bribery, embezzlement, larceny, or disrupting the socialist economic order and is within five years of the expiry date of punishment or has been deprived of political rights because of this conviction and is within five years of the expiry date of the sentence;

iii. A person who is a former director, factory manager or general manager of a company or enterprise that is bankrupt and liquidated because of poor operation, was personally liable for the bankruptcy of such company or enterprise, and is within three years of the date of completion of bankruptcy and liquidation of such company or enterprise;

iv. A person who has served as the legal representative of a company or enterprise whose business license was revoked or was ordered to close due to violation of laws, was personally liable, and is within three years of the date on which the business license of such company or enterprise was revoked;

v. A person who has a relatively large sum of debt, which was not paid at maturity;

vi. A person who is prohibited by China Securities Regulation Commission's from entering into the securities market and is still in such prohibition period; or

vii. Any other person who is otherwise not eligible under laws, administrative regulations, regulations of the authorities, regulatory documents and other conditions set out by the relevant regulatory bodies.

The election, appointment or employment of the directors, supervisors or other senior management shall be invalid if such election, appointment or employment is against the Articles of Association.

If the directors, supervisors or senior management falls into the situations provided in the above-mentioned situations during their term of office, they would be dismissed by our Company.

(5) Borrowing powers

The Articles of Association do not contain any specific provisions regarding directors' exercise of lending powers. The board of directors shall be entitled to develop proposals for our Company to issue bonds and to list its Shares, and that such bond issues must be approved by the shareholders by a special resolution at the general meeting.

(6) Duties

Directors shall comply with laws, administrative regulations, and the Articles of Association, with the following duties of loyalty to the Company:

i. Directors shall not abuse their authority by receiving any bribe or other illegal income, and shall not embezzle any of the property of the Company;

ii. Directors shall not misappropriate the Company's funds;

iii. Directors shall not deposit company assets into accounts held in their own names or in the name of any other individual;

iv. Directors shall not, in violation of the Articles of Association, lend Company funds to other people or provide guarantee for other people with Company assets without the consent of the shareholders' general meeting or the board of directors;

v. Directors shall not enter into contracts or trade with the Company either in violation of the Articles of Association or without the consent of the shareholders' general meeting;

vi. Without the consent of the shareholders' general meeting, any director shall not take advantage of his/her position to seek business opportunities that should belong to the Company for himself/herself or for any other person, or operate business of the same kind for himself/herself or for any other person;

vii. Directors shall not accept commissions for transactions with the Company as their own;

viii. Directors shall not disclose Company secrets without authorization;

ix. Directors shall not make use of their related-party relationship to damage the Company's interests; and

x. Directors shall have other duties of loyalty specified by laws, administrative regulations, departmental rules, Listing Rules and the Articles of Association.

Any income obtained by a director in violation of this article shall belong to the Company; if losses are caused to the Company, the director shall be liable for compensation.

Directors shall comply with laws, administrative regulations, and the Articles of Association, with the following duties of diligence to the Company:

i. Directors shall be prudent, scrupulous and diligent in exercising the authority conferred by the Company to ensure that the business activities of the Company comply with the laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the Company's business license;

ii. Directors shall treat all shareholders equally;

iii. Directors shall keep abreast of the Company's business management status;

iv. Directors shall sign written statements confirming periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate, and complete;

v. Directors shall provide accurate information and materials to the board of supervisors, and shall not interfere with the performance of duties by the board of supervisors or individual supervisors; and

vi. Directors shall have other diligence duties prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

2. MODIFICATION OF THE ARTICLE OF ASSOCIATION

Our Company may amend the Articles of Association based on the provisions of the laws, administrative regulations and Articles of Association.

In the event that the amendments to the Articles of Association passed by the general meetings need the examination and approval of the competent authorities, these amendments shall be submitted hereto for approval. Where the amendment of the Articles of Association involves registration, it shall be necessary to carry out the lawfully prescribed procedures for registration change.

3. SPECIAL RESOLUTIONS NEEDED TO BE ADOPTED BY ABSOLUTE MAJORITY VOTE

The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution may be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

A special resolution can be adopted by a two-thirds majority of the votes held by the shareholders (including proxies of shareholders) attending the general meeting.

4. VOTING RIGHTS

The ordinary shareholders have the right to attend or appoint a proxy to attend and vote at the general meeting. When voting at the general meeting, the shareholder (including proxy) may exercise his or her voting rights in accordance with the number of shares with voting power held with each share representing one vote.

Any shareholder who is required by laws, regulations, regulatory documents and Listing Rules to abstain from voting on a matter or is limited to an affirmative or negative vote shall abstain from voting or be required to so vote; any vote cast by or on behalf of relevant shareholder which is cast in violation of such requirement or restriction shall not be counted in the voting result.

The shares held by the Company itself shall have no voting right and shall not be counted in the total number of voting shares at the general meeting.

5. RULES ON GENERAL SHAREHOLDERS' MEETINGS

The general meetings are divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once a year and be held within six months of the end of the previous fiscal year.

6. ACCOUNTING AND AUDITS

(1) Financial and accounting policies

Our Company shall develop its financial accounting policies pursuant to laws, administrative regulations and rules developed by the competent department.

The interim results or financial information published or disclosed by our Company shall at the same time be prepared in accordance with the PRC accounting standards, rules and regulations as well as international accounting standards or the accounting standards of the overseas area in which the shares are listed.

Our Company shall publish the financial reports twice in each accounting year. Interim financial reports shall be published within 3 months of the end of the first six months of a fiscal year, while the annual financial report shall be published within 4 months of the end of each accounting year.

(2) Appointment and Dismissal of Accountants

Our Company shall appoint a reputable accounting firm that meets appropriate requirements of the relevant regulations of the PRC to be responsible for providing services such as the audit of financial statements, the verification of net assets and other relevant consultancy services. The term of the accounting firm shall be one year.

If the position of an appointed accounting firm is vacant, the board of directors may appoint an accounting firm before the start of general meeting. However, if during the vacant period, our Company has other incumbent accounting firm, such accounting firm may take the vacant.

Except the circumstances as above said, our Company shall appoint an accounting firm by the decision of the general meeting. The shareholders may replace the accounting firm through an ordinary resolution at the general meeting.

7. NOTICE AND AGENDA OF GENERAL SHAREHOLDERS' MEETINGS

The general meeting is the authorized organ of our Company that performs duties and exercises powers in accordance with the law.

Under any of the following circumstances, our Company shall convene an extraordinary general meeting within two months:

i. The number of directors is less than the number specified in the PRC Company Law or less than two thirds of the number required in the Articles of Association;

ii. The uncovered losses of our Company reach one-third of its total paid-in registered capital;

iii. The shareholders with 10% or more shares of the Company separately or jointly request to convene an extraordinary general meeting in writing;

iv. The board of directors considers it necessary;

v. The board of supervisors makes such proposal;

vi. Any other circumstances stipulated in laws, administrative regulations, departmental regulations, the Listing Rules, the Articles of Association.

In the event that the general meeting is convened, the board of directors, the board of supervisors and shareholders who separately or jointly hold more than 3% of the shares of our Company may submit a proposal to the company.

Shareholders who separately or jointly hold more than 3% of the shares of our Company may submit an extraordinary proposal 10 days before the general meeting is convened.

When convening a general meeting, our Company shall send a written notice 20 days before it is convened. When convening an extraordinary general meeting, our Company shall send a written notice 15 days before it is convened.

The shareholder's meeting shall not decide on issues which are not listed in the notice.

The notice of the general meeting shall be made in writing, including the following contents:

i. The place, the date and the hour of the meeting;

ii. The matters and proposals to be discussed at the meeting;

iii. Conspicuous statement that all shareholders are entitled to attend the meeting and appoint proxy to attend and vote and that proxy need not be a shareholder;

iv. The date of record for the shareholders who are entitled to attend the meeting;

v. The name and telephone number of the contact person for the meeting;

vi. The time and procedure of voting online or by any other means;

vii. Other requirements stipulated by laws, administrative regulations, department rules, Listing Rules and Articles of Association.

The resolution of the general meeting includes ordinary resolution and special resolution. The following matters shall be approved by the general meeting through ordinary resolutions:

i. Work report of the board of directors and the board of supervisors;

ii. Plans of earnings distribution and loss make-up schemes drafted by the board of directors;

iii. Appointment or dismissal of the members of the board of directors and the board of supervisors, and their enumeration and payment methods;

iv. Annual budget plan and final account plan;

v. Annual reports of the Company;

vi. Other matters other than those approved by special resolution stipulated in the laws, administrative regulations, Listing Rules or the Articles of Association.

The following matters shall be approved by special resolution at the general meeting:

i. The increase or decrease of the registered capital;

ii. Division, split, merger, dissolution and liquidation of our Company;

iii. Amendment of the Articles of Association;

iv. The purchase or sale by the Company within one year of material assets exceeding 30% of the audited total assets of the Company at latest audited financial statement;

v. Share incentive scheme;

vi. Other matters recognized by ordinary resolution of the general meeting that could materially affect our Company and need to be approved by special resolution or as required by the laws, administrative regulations, Listing Rules or the Articles of Association;

In the event that any resolution of the general meeting or resolution of the board of directors violates laws or administrative regulations, any shareholder is entitled to request the court to deem it as invalid.

In the event that the convening procedure or voting formula of the shareholders meeting or meeting of the board of directors violates any of laws, administrative regulations or the Articles of Association, or resolution of which violates the Articles of Association, any shareholder is entitled to ask the court to overturn within 60 days after the resolution was adopted.

8. SHARES TRANSFERS

The shares of our Company holding by the funders thereof shall not be transferred within one year of the date of establishment of our Company. The shares issued before the public issuance of shares by our Company shall not be transferred within one year of the date on which the stocks of our Company are offering and listing on a securities exchange.

The directors, supervisors, and senior management of our Company shall declare, to our Company, information on their holdings of the shares of our Company and the changes thereto. The shares transferable by them during each year of their term of office shall not exceed 25 percent of their total holdings of the shares of our Company. The shares that they held in our Company shall not be transferred within one year of the date on which the stocks of our Company are offering and listing on a securities exchange. The aforesaid persons shall not transfer their shares of our Company within six months from the date of their resignation.

With regard to the H Shares that capital of which has been full-paid could be transferred without limitation in accordance with the Articles of Association. However, unless meeting the following conditions, the board of directors may refuse to recognize any transfer document without giving any reason:

i. Document that related to any share ownership or transfer documents that may affect the ownership of the shares shall be registered and a fee for registration shall be paid to our Company according to the payment standard specified by the listing rules of the stock exchange, and such payment shall not exceed the maximum fee provided by the listing rules of the stock exchange from time to time;

ii. The transfer documents only involve H Shares listed in Hong Kong;

iii. The stamp duty chargeable on the transfer documents specified by Hong Kong Laws has been paid;

iv. The relevant share certificate, and upon the reasonable request of the board of directors, any evidence in relation to the right of the transferor to transfer the shares has been submitted;

v. If the shares are to be transferred to joint holders, the number of the joint holders shall not exceed four;

vi. Our Company does not have any lien on the relevant shares; and

vii. The shares shall not be transferred to minors or the person who is insane or is found to be of unsound mind.

9. RIGHTS OF OUR COMPANY TO PURCHASE OUR OUTSTANDING ISSUED SHARES

Our Company shall not buy back its shares. However, under any of the following circumstances, our Company may buy back our outstanding issued shares without against any laws, regulations, Listing Rules and the Articles of Association:

i. Reduce our Company's registered capital;

ii. Merger with other companies which hold our shares;

iii. Granting shares to the staff of our Company for employee stock ownership plan or equity incentive plan;

iv. Requesting the Company to buy back its shares from shareholders who vote against any resolutions adopted at the general meeting concerning the merger and division of the Company;

v. To convert shares into bond issued by our Company which is convertible to stock of our Company;

vi. Necessary for our Company to maintain our Company's value and shareholders' equity; or

vii. Other circumstances as permitted by the laws, administrative regulations, regulations of the authorities and Listing Rules.

10. POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT

There are no provisions in the Articles of Association relating to ownership by subsidiary of our Company of shares in its parent.

11. DIVIDEND AND OTHER DISTRIBUTION METHODS

The Company may distribute dividends in the following manner of cash or stock.

12. SHAREHOLDER PROXIES

Shareholders may attend the shareholders' general meeting in person or authorize proxies to attend and vote on their behalf (A proxy need not be a shareholder of the Company). A legal person shareholder should attend the meeting by its legal representatives or persons authorized proxies to attend and vote on their behalf.

Shareholders shall, according to his or her free will, to instruct the proxy to vote and provide instructions separately for matters to be put to vote on each item on the meeting agenda.

13. REVIEW THE REGISTER OF SHAREHOLDERS AND OTHER RIGHTS OF SHAREHOLDERS

Our Company shall make a register of shareholders in accordance with evidentiary documents provided by the securities registration authorities.

Pursuant to the understanding and agreement entered into between the competent agency in charge of securities of the PRC and the overseas securities regulatory authorities, our Company may keep the original register of the shareholders of the overseas listed foreign shares overseas and entrust an overseas entity to manage it. The original register of the shareholders of the overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

Our Company shall keep a copy of the register of the holders of the overseas listed foreign shares at our residential address. The overseas entrusted agency shall at all times maintain consistency between the original and copy of the register of the holders of the overseas listed foreign shares.

In case of inconsistency between the original and copy of the register of the holders of the overseas listed foreign shares, the original shall prevail.

When our Company convenes the general meeting, pays dividends, goes into liquidation or is involved in other actions that require the confirmation of identities, the board of directors or the convenor of the general meeting shall fix a date as the equity registration date, upon expiration of which the shareholders whose names registered on the register of shareholders shall be the shareholders entitled to relevant equity.

14. RESTRICTIONS ON RIGHTS OF CONTROLLING SHAREHOLDER

The controlling shareholder and de facto controller of the Company shall not take advantage of their associated relationship to damage the Company's interests. Any loss caused to the Company as a result of such violation shall be compensated.

The controlling shareholder and de facto controller of the Company are obliged to act in good faith to the Company and the general public company shareholders. The controlling shareholder shall exercise their rights as capital contributors in strict accordance with the law and shall not impair the lawful rights and interests of the Company or of the general public company shareholders by means of the distribution of profits, reorganization of assets, external investment, misappropriation of assets, loan, or guaranty, nor shall he make use of his controlling position to impair the interests of the Company or of the general public company shareholders.

15. PROCEDURES FOR LIQUIDATION

Under any of the following circumstances, our Company shall be lawfully dissolved:

i. The term of business of our Company has expired or other events of dissolution occur under the Article of Association;

ii. The general meeting adopts a resolution to dissolve our Company;

iii. Our Company needs to be dissolved for the purpose of merger or division;

iv. The business license is revoked, or our Company is ordered to close or be eliminated according to applicable law; or

v. Where our Company encounters significant difficulties in business and management, continuous survival may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome through other means, shareholders who hold more than 10% of all voting rights of the Company's shareholders may request the People's Court to dissolve the Company.

Where our Company is dissolved due to the provisions set forth in i, ii, iv and v above, the liquidation team shall be established within 15 days from the date of the event leading to liquidation to commence dissolution and the personnel of the liquidation team shall consist of the persons determined by the directors or the general meeting. In the event the liquidation team is not established to conduct liquidation during such period, the creditors can request the people's court to appoint relevant personnel to establish the liquidation team for liquidation.

Within 10 days of the establishment of the liquidation team, the creditors shall be notified and an announcement shall be published within 60 days. The creditors shall declare their claims to the liquidation team within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received.

Creditors who declare claims shall state relevant issues related to the claims and provide proofs. The liquidation team shall carry out registration of the claims.

During the period for declaration of claims, the liquidation group shall not make any repayment to the creditors.

During the liquidation, our Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation. The property of our Company shall not be distributed to any shareholder before full payments have been made out of the property according to the aforesaid provision.

In the event the liquidation team finds that, after taking stock of our Company's property and preparing the balance sheet and list of property, that the assets are insufficient to pay the debts, it shall immediately apply to the people's court to declare bankruptcy. After our Company is declared bankrupt by ruling of the people's court, the liquidation team shall turn over matters regarding the liquidation to the people's court.

Upon closure of liquidation of our Company, the liquidation team shall prepare a liquidation report, and shall be submitted to our general meeting or the people's court for recognition. The liquidation team shall submit the above-mentioned documents to our Company registration authority and apply for cancelation of our registration and publish an announcement on our termination.

16. OTHER IMPORTANT PROVISIONS FOR OUR COMPANY OR SHAREHOLDERS

(1) General Provisions

Our Company is a permanently existing joint stock limited company.

According to the Articles of Association, any shareholder may bring a lawsuit against another shareholder, a director, a supervisor, or the senior management, any shareholder may bring a lawsuit against the Company, and the Company may bring a lawsuit against any shareholder, director, supervisor or the senior management.

(2) Share and Transfer

Our Company may increase stock capital by the following means:

i. Issuing shares in a public offering;

ii. Issuing shares via a private placement;

iii. Giving bonus shares to existing shareholders;

iv. Converting reserve funds into shares; and

v. Other means approved by the laws, administrative regulations and relevant regulatory authorities.

Our Company may decrease our registered capital and shall comply with the procedures stipulated in Company Law of the PRC, other related regulations and the Articles of Association.

(3) Shareholders

The rights of our ordinary shareholders are as follows:

i. To receive distribution of dividends and other forms of benefits according to the number of shares held;

ii. To participate in or appoint a shareholder proxy to participate in and exercise corresponding speaking and voting rights at the general meeting;

iii. To supervise and manage business and operational activities of our Company, provide suggestions or submit queries;

iv. To transfer, grant and pledge the Company's shares held according to the provisions of the laws, administrative regulations and the Articles of Association;

v. To obtain relevant information according to the provisions of the Articles of Association, including:

(i) Obtaining a copy of Articles of Association after the cost is paid;

(ii) Right to inspect and copy information as follows after the reasonable fee is paid:

(1) All parts of the register of shareholders;

(2) Personal information of the director, supervisor, or senior management, including:

(a) Current and former name and alias;

(b) Principle address (domicile);

(c) Nationality;

(d) Full-time and other part-time occupation/position;

(e) Identity documents and ID number;

(3) Share capital status of our Company;

(4) A report of the total book value, the number, the highest buying price and the lowest buying price for shares repurchased by our Company since then last financial year, and of all expenses incurred thereon;

(5) Special resolutions of the general meeting;

(6) Latest audited financial statement of the Company and the reports of the board of directors, the board of supervisors, and auditors;

(7) Copy of latest annual report as filed with market regulation administration and other authorities;

(8) Receipt of corporate bond, decisions of meeting of board of directors and decisions of meeting of board of supervisors; and

(9) Minutes of shareholder's general meeting.

vi. To participate in the distribution of the remaining assets of our Company according to the proportion of shares held upon our termination or liquidation;

vii. To request the Company to buy back their shares as dissenting shareholders in decision of merger or division of the Company;

viii. Other rights conferred by laws, administrative regulations, regulations of the authorities, regulatory rules where our Company's shares are listed, or the Articles of Association.

(4) The board of directors

The board of directors is responsible to the general meeting and exercises the following powers:

i. To convene the general meeting and report on work to the general meeting;

ii. Implement the resolutions of the general meeting;

iii. Determine the business and investment plans of our Company;

iv. Devise the annual financial budget and closing account plans of our Company;

v. Devise the earnings distribution and loss offset plans of our Company;

vi. Formulate the plans for increasing or decreasing our Company's registered capital, the issuance of corporate bonds;

vii. Formulate plans for major acquisition, share buy-back, corporate merger, separation and dissolution of our Company;

viii. Determine, within the scope authorized by the general meeting or the Article of Association, such matters as the Company's external investments, the purchase and sale of assets, asset mortgages, external guarantees, entrusted management of finance, related-party transactions and external donations;

ix. Decide on the setup of our Company's internal management organization;

x. Appoint or dismiss the general manager, secretary of the board, and other senior managers of our Company and determine their remuneration, rewards and punishments; based on the nomination of the general manager, appoint or dismiss senior management of our Company such as deputy general manager, Chief financial officer (CFO) and other senior managers and determine their remuneration, rewards and punishments;

xi. Set the basic management systems of our Company;

xii. Formulate a modification plan for the Articles of Association;

xiii. Manage the information disclosure of the Company;

xiv. Make proposals to the shareholders' general meeting on the appointment or replacement of the accounting firm that provides auditing services to the Company;

xv. Hear work report of senior managers and to inspect the manager's work;

xvi. Formulate and implement share incentive plans of the Company; and

xvii. Other powers and duties authorized by the laws, administrative regulations, regulations of the authorities, listing rules of the place where the shares of our Company are listed and the Articles of Association.

Meetings of the board of directors shall be attended by more than one-half of the directors before the board of directors meeting can be convened.

(5) Independent Non-executive director

The board of directors of the Company has four independent non-executive directors. At least one independent non-executive director shall have applicable professional qualification or are equipped with applicable accounting or relevant financial management expertise.

(6) Secretary of the Board of Directors

Our Company shall have one secretary of the board of directors.

(7) Board of Supervisors

Our Company shall set up a board of supervisors. The board of supervisors consists of three supervisors and includes one chairman. The chairman of the board of supervisors shall be elected and dismissed by more than 2/3 of the votes of the members of the board of supervisors.

The board of supervisors shall consist of shareholder's representatives and employee's representatives. The supervisors shall account for no less than one-third of the board of supervisors of our Company.

Resolutions of the board of supervisors shall require approval from two-third of all the supervisors. The supervisors serve three-year terms. The supervisors may, after the expiration of the term of office, be re-elected and re-appointed.

The directors and senior management shall not also serve as supervisors.

The board of supervisors is responsible to the general meeting and lawfully exercises the following powers:

i. Review the periodic reports of the Company prepared by the Board of Directors and provide a written review opinion;

ii. Examine the financial standing of our Company;

iii. Supervise the Company's duties performing of directors and senior management, and put forward suggestions for dismissing any directors or senior management who are in breach of the laws, administrative regulations, the Articles of Association or resolutions of the general meetings;

iv. Require the directors and senior management to take corrective measures when their actions are detrimental to the Company's interests;

v. Propose to convene an extraordinary general meeting and to convene and preside over the shareholders' general meeting when the board of directors fails to perform its duty to convene and preside over a general meeting prescribed in the Company Law;

vi. Submit proposals to the general meetings;

vii. Bring a lawsuit against any director or senior manager in accordance with the Company Law;

viii. Conduct investigation if any abnormality in the operation of the Company is found, and, where necessary, engage an accounting firm, law firm or any other specialized agency to assist in its work at the expense of the Company;

ix. Other powers and duties stipulated in laws, regulations, regulatory documents, supervision rules of shares listed region and the Articles of Association.

The supervisors may attend the meetings of the board of directors, query or provide suggestions on the resolution matters of the Board meeting.

(8) General manager

Our Company has one general manager, appointed or dismissed by the board of directors.

The general manager of our Company is responsible to the board of directors and exercises the following powers:

i. Be in charge of the producing and operational management of our Company, organize the enforcement of resolutions of the board of directors and report to the board of directors on work;

ii. Organize the implementation of the annual operation plans and investment schemes decided by the board of directors;

iii. Formulate the structure scheme of the internal management department of our Company;

iv. Formulate the fundamental management policies of our Company;

v. Formulate the specific management rules of our Company;

vi. Propose the appointment or dismissal of the Company's deputy general manager, Chief financial officer and other senior management;

vii. Appoint or dismiss other management personnel except those who shall be appointed or dismissed by the board of directors;

viii. Other responsibilities authorized by the Articles of Association and the board of directors.

(9) Reserves

When the annual after-tax earnings of our Company are distributed, our Company must allocate 10% of the earnings to the statutory reserve of the Company. When the total amount of the statutory reserve exceeds 50% of our Company's registered capital, no more allocations need to be drawn.

If the Company's statutory reserve is insufficient to offset our losses during the previous year, the earnings generated during the current year must be used to make up the losses before allocating the statutory reserve in accordance with the requirements set forth above.

After allocation to the statutory reserve from the after-tax earnings of our Company, we may also allocate to the reserves at will from after-tax earnings in line with the resolution(s) adopted at the general meeting.

After our Company has made up for its losses and made allocations to its statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders, unless otherwise specified by the Articles of Association.

If the general meeting or directors violates the above provisions and profits are distributed to the shareholders before the Company makes up for losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned by such shareholders to the Company.

The shares held by our Company itself shall not be subject to profit distribution.

The Company's reserves may be used only for offsetting losses of the Company, expanding the scale of business and operations or for conversion into capital to increase our capital, but the capital reserve shall not be used to offset losses of the Company. Where the statutory reserve converses into capital, the remaining statutory reserve shall not be less than 25% of the registered capital of our Company before such conversion.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established in the PRC on December 5, 2005 with an initial registered capital of RMB1,000,000. On May 7, 2015, our Company was converted into a joint stock company with limited liability under the PRC Company Law. Accordingly, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. The relevant PRC laws and regulatory provisions and a summary of our Articles of Association are set out in Appendices IV and V to this prospectus, respectively.

Our principal place of business in Hong Kong is at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong, China. We were registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance on July 6, 2023. Mr. Cheung Kai Cheong Willie has been appointed as our authorized representatives for the acceptance of service of process and notices in Hong Kong.

2. Changes in the Share Capital of Our Company

As at the date of our incorporation, our registered capital was RMB1,000,000, which was fully paid up upon establishment. On May 7, 2015, our Company was converted into a joint stock company with limited liability, and our registered capital was RMB10,000,000 divided into 10,000,000 shares with a nominal value of RMB1.00 each. As at the Latest Practicable Date, our registered capital was RMB31,059,230 divided into 31,059,230 shares with a nominal value of RMB1.00 each.

Assuming the Over-allotment Option is not exercised, upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares, our issued share capital will increase to RMB35,424,890, made up of 22,433,317 Unlisted Shares and 12,991,573 H Shares fully paid up or credited as fully paid up, representing approximately 63.33% and 36.67% of our registered share capital, respectively.

Save as disclosed in the section headed "History, Development and Corporate Structure" in this prospectus, there has been no alteration in our share capital within two years immediately preceding the date of this prospectus.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 14 to the Accountants' Report as set out in Appendix I.

The following subsidiaries have been established within two years immediately preceding the date of this prospectus:

Name of subsidiary	Place of establishment	Date of establishment
Jinxun Digital Intelligence *(Note)*	PRC	July 7, 2022
Voicecomm Jiachen	PRC	August 30, 2022
Hainan Voicecomm Intelligent Technology	PRC	December 5, 2022
Voicecomm Gengyou	PRC	May 10, 2023
Voicecomm Xuanwu	PRC	May 11, 2023
Chongqing Voicecomm	PRC	June 8, 2023
Sichuan Voicecomm Zhigan	PRC	June 28, 2023
Voicecomm Yunxiu	PRC	June 28, 2023
Sichuan Voicecomm Zhishi	PRC	July 31, 2023
Guang'an Voicecomm	PRC	August 23, 2023
Sichuan Voicecomm Yunji	PRC	April 19, 2024
Voicecomm (Hong Kong)	Hong Kong	May 24, 2024

Notes:

(1) We acquired 51% of equity interests in Jinxun Digital Intelligence from Jinxuntong Software Technology in December 2022.

(2) Chengdu Voicecomm Zhigan Technology Co., Ltd. (成都聲通智感科技有限公司) was an wholly-owned subsidiary of our Company established in the PRC on July 25, 2023 with a registered capital of RMB30,000,000. It was voluntarily deregistered on September 20, 2023.

(3) Jiangsu Shengtong Information Technology Co. Ltd (江蘇聲同信息科技有限責任公司) was an wholly-owned subsidiary of our Company established in the PRC on January 18, 2023 with a registered capital of RMB10,000,000. It was voluntarily deregistered on October 26, 2023.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this prospectus:

Jinxun Digital Intelligence

On January 3, 2023, the registered capital of Jinxun Digital Intelligence was increased from RMB5.0 million to RMB5.5 million by way of capital injection by our Company.

Save as disclosed above and in the section headed "History, Development and Corporate Structure" in this prospectus, there has been no alteration in the share capital of our subsidiaries within two years immediately preceding the date of this prospectus.

4. Resolutions of the Shareholders of the Company

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on June 16, 2023, it was resolved, among others:

(a) our H Shares to be listed on the Stock Exchange be issued;

(b) subject to the completion of the Global Offering, the Articles of Association have been approved and adopted, which shall become effective on the Listing Date, and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and the relevant PRC regulatory authorities; and

(c) authorizing our Board and its authorized person to handle all relevant matters relating to, among other things, the implementation of issuance of H Shares and the Listing.

5. Restrictions on Repurchase

For details, see Appendix IV in this prospectus.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF THE COMPANY

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this prospectus and are or may be material:

(a) the capital increase agreement (增資協議) dated August 16, 2022 entered into amongst Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥)) agreed to subscribe for 500,000 new shares of the Company at the consideration of RMB20,000,000;

(b) the supplemental agreement to the capital increase agreement (增資協議補充協議) dated August 16, 2022 entered into amongst the Company, Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥)), in relation to, among other things, the grant of certain special rights to Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥));

(c) the capital increase agreement (增資協議) dated August 30, 2022 entered into amongst Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥)) agreed to subscribe for 750,000 new shares of the Company at the consideration of RMB30,000,000;

(d) the supplemental agreement to the capital increase agreement (增資協議補充協議) dated August 30, 2022 entered into amongst the Company, Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥)), in relation to, among other things, the grant of certain special rights to Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥));

(e) the capital increase agreement (增資擴股協議) dated August 15, 2022 entered into between Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥)) and the Company, pursuant to which, among other things, Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥)) agreed to subscribe for 745,000 new shares of the Company at the consideration of RMB29,800,000;

(f) the supplemental agreement to the capital increase agreement (增資擴股協議之補充協議) dated August 15, 2022 entered into amongst Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥)), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Mr. Sun Qi (孫琪), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, in relation to, among other things, the grant of certain special rights to Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥));

(g) the investment (capital increase) agreement (投資(增資)協議) dated November 28, 2022 entered into amongst Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司) agreed to subscribe for 277,692 new shares of the Company at the consideration of RMB18,050,000;

(h) the capital increase agreement (增資協議) dated May 25, 2023 entered into amongst Jiaxing Chengshun Phase II Equity Investment Partnership (Limited Partnership) (嘉興誠順貳期股權投資合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, Jiaxing Chengshun Phase II Equity Investment Partnership (Limited Partnership) (嘉興誠順貳期股權投資合夥企業(有限合夥)) agreed to subscribe for 1,538,462 new shares of the Company at the consideration of RMB100,000,000;

(i) the supplemental agreement to the capital increase agreement (增資協議補充協議) dated May 25, 2023 entered into amongst the Company, Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and Jiaxing Chengshun Phase II Equity Investment Partnership (Limited Partnership) (嘉興誠順貳期股權投資合夥企業(有限合夥)), in relation to, among other things, the grant of certain special rights to Jiaxing Chengshun Phase II Equity Investment Partnership (Limited Partnership) (嘉興誠順貳期股權投資合夥企業(有限合夥));

(j) the investment (capital increase) agreement (投資(增資)協議) dated May 31, 2023 entered into amongst Zhejiang Jiuli Investment Management Co., Ltd. (浙江久立投資管理有限公司), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, Zhejiang Jiuli Investment Management Co., Ltd. (浙江久立投資管理有限公司) agreed to subscribe for 461,538 new shares of the Company at the consideration of RMB29,999,970;

(k) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated May 31, 2023 entered into amongst the Company, Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and Zhejiang Jiuli Investment Management Co., Ltd. (浙江久立投資管理有限公司), in relation to, among other things, the grant of certain special rights to Zhejiang Jiuli Investment Management Co., Ltd. (浙江久立投資管理有限公司);

(l) the investment (capital increase) agreement (投資(增資)協議) dated June 15, 2023 entered into amongst Neijiang High-tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, Neijiang High-tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司) agreed to subscribe for 461,538 new shares of the Company at the consideration of RMB29,999,970;

(m) the supplemental agreement to the capital increase agreement (增資協議補充協議) dated June 15, 2023 entered into amongst the Company, Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and Neijiang High-tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司), in relation to, among other things, the grant of certain special rights to Neijiang High-tech Investment Service Co., Ltd. (內江高新科技投資服務有限責任公司);

(n) the capital increase agreement (增資協議) dated June 15, 2023 entered into amongst Mr. Zhang Weihua (張偉華), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, Mr. Zhang Weihua agreed to subscribe for 20,000 new shares of the Company at the consideration of RMB1,300,000;

(o) the capital increase agreement (增資協議) dated June 15, 2023 entered into amongst Mr. Chen Xuanjun (陳宣君), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, Mr. Chen Xuanjun agreed to subscribe for 10,000 new shares of the Company at the consideration of RMB650,000;

(p) the supplemental agreement to the investment agreement (投資協議之補充協議) dated May 5, 2023 entered into amongst Gongqingcheng Softbank Huaxin Investment Center (Limited Partnership) (共青城軟銀華鑫投資中心(有限合夥)), Shanghai Haocen Network Technology Center (Limited Partnership). (上海灝岑網絡科技中心(有限合夥)), Mr. Tang Jinghua (湯敬華) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Gongqingcheng Softbank Huaxin Investment Center (Limited Partnership) (共青城軟銀華鑫投資中心(有限合夥));

(q) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 22, 2023 entered into amongst Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥)), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Mr. Sun Qi (孫琪), Mr. Qin Huai'er (覃懷二), Shanghai Xiding Equity Investment Fund Management Co., Ltd. (上海西鼎股權投資基金管理有限公司), Gongqingcheng Softbank Huaxin Investment Center (Limited Partnership) (共青城軟銀華鑫投資中心(有限合夥)) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥));

(r) the supplemental agreement to the capital increase agreement (增資協議之補充協議) dated June 22, 2023 entered into amongst Zibo Yingke Jiyun Venture Capital Partnership (Limited Partnership) (淄博盈科吉運創業投資合夥企業(有限合夥)), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Mr. Sun Qi (孫琪), Mr. Qin Huai'er (覃懷二), Shanghai Xiding Equity Investment Fund Management Co., Ltd. (上海西鼎股權投資基金管理有限公司), Mr. Bian Yulong (卞玉龍), Mr. Ding Yi (丁毅), Gongqingcheng Softbank Huaxin Investment Center (Limited Partnership) (共青城軟銀華鑫投資中心(有限合夥)), Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥)) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Zibo Yingke Jiyun Venture Capital Partnership (Limited Partnership) (淄博盈科吉運創業投資合夥企業(有限合夥));

(s) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 21, 2023 entered into amongst Shanghai Xinzhuang Industrial Park Economic and Technology Development Co., Ltd. (上海市莘莊工業區經濟技術發展有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Mr. Sun Qi (孫琪), Shanghai Xiding Equity Investment Fund Management Co., Ltd. (上海西鼎股權投資基金管理有限公司), Mr. Bian Yulong (卞玉龍), Mr. Ding Yi (丁毅), Mr. Qin Huai'er (覃懷二), Gongqingcheng Softbank Huaxin Investment Center (Limited Partnership) (共青城軟銀華鑫投資中心(有限合夥)), Jiaxing Shangyu Investment Partnership (Limited Partnership) (嘉興尚裕投資合夥企業(有限合夥)), Zibo Yingke Jiyun Venture Capital Partnership (Limited Partnership) (淄博盈科吉運創業投資合夥企業(有限合夥)) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Shanghai Xinzhuang Industrial Park Economic and Technology Development Co., Ltd. (上海市莘莊工業區經濟技術發展有限公司);

(t) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 12, 2023 entered into amongst Zibo Bokai Venture Capital Co., Ltd. (淄博博開創業投資有限公司), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Zibo Bokai Venture Capital Co., Ltd. (淄博博開創業投資有限公司);

(u) the supplemental agreement (II) to the cooperation agreement (合作協議之補充協議(二)) dated June 12, 2023 entered into amongst Boshan Economic Development Zone Management Committee of Shandong Province (山東省博山經濟開發區管理委員會), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Boshan Economic Development Zone Management Committee of Shandong Province (山東省博山經濟開發區管理委員會);

(v) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 13, 2023 entered into amongst Shanghai Cuiwen Network Technology Co., Ltd. (上海萃問網絡科技有限公司), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Shanghai Cuiwen Network Technology Co., Ltd. (上海萃問網絡科技有限公司);

(w) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated May 30, 2023 entered into amongst Jiaxing Laida Investment Partnership (Limited Partnership) (嘉興萊達投資合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Jiaxing Laida Investment Partnership (Limited Partnership) (嘉興萊達投資合夥企業(有限合夥));

(x) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 21, 2023 entered into amongst Qingdao Yingke Value Venture Capital Partnership (L.P.) (青島盈科價值創業投資合夥企業 (有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Qingdao Yingke Value Venture Capital Partnership (L.P.) (青島盈科價值創業投資合夥企業 (有限合夥));

(y) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 19, 2023 entered into amongst Qingdao Huazi Shengtong Equity Investment Fund Partnership (Limited Partnership) (青島華資盛通股權投資基金合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Qingdao Huazi Shengtong Equity Investment Fund Partnership (Limited Partnership) (青島華資盛通股權投資基金合夥企業(有限合夥));

(z) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated May 19, 2023 entered into amongst Beijing Jingjin Investment Management Consulting Co., Ltd. (北京靖錦投資管理諮詢有限公司), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Beijing Jingjin Investment Management Consulting Co., Ltd. (北京靖錦投資管理諮詢有限公司);

(aa) the supplemental agreement (II) to the capital increase agreement (增資擴股協議之補充協議(二)) dated May 5, 2023 entered into amongst Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Gongqingcheng Huanping Equity Investment Partnership (Limited Partnership) (共青城環平股權投資合夥企業(有限合夥));

(bb) the supplemental agreement to the capital increase agreement (增資協議之補充協議) dated May 9, 2023 entered into amongst Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Shanghai Donghao Lansheng Human Resources Industry Equity Investment Fund Partnership (Limited Partnership) (上海東浩蘭生人力資源產業股權投資基金合夥企業(有限合夥));

(cc) the supplemental agreement to the capital increase agreement (增資協議之補充協議) dated May 5, 2023 entered into amongst Suzhou Bodao Dinghua Equity Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司) and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Suzhou Bodao Dinghua Investment Partnership (Limited Partnership) (蘇州僰道鼎華股權投資合夥企業(有限合夥));

(dd) the supplemental agreement to the investment (capital increase) agreement (投資(增資)協議之補充協議) dated June 22, 2023 entered into amongst Chengdu Technology Innovation Investment Group Co., Ltd. (成都科技創新投資集團有限公司), Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (Limited Partnership) (成都同創知行企業管理諮詢合夥企業(有限合夥)), Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Mr. Tang Jinghua (湯敬華), Mr. Shi Yerong (石業嶸), Shanghai Chenqi Information Consultation Co., Ltd. (上海晨氣信息諮詢有限公司), Mr. Sun Qi (孫琪), Shanghai Jiageng Culture Communication Co., Ltd. (上海甲庚文化傳播有限公司), and the Company, pursuant to which, among other things, the parties agreed to terminate certain special rights granted to Chengdu Technology Innovation Investment Group Co., Ltd. (成都科技創新投資集團有限公司) and Chengdu Tongchuang Zhixing Enterprise Management Consulting Partnership (成都同創知行企業管理諮詢合夥企業(有限合夥));

(ee) the share purchase agreement (股權收購協議) dated November 28, 2022 entered into amongst Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司), Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司), Mr. Han Zhaoning (韓召寧), and the Company, pursuant to which, among other things, the Company agreed to obtain 51% of the equity interests of Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司) partly through acquisition from Xi'an Jinxuntong Software Technology Co., Ltd (西安金訊通軟件技術有限公司) and partly through capital injection at the total consideration of RMB28,050,000;

(ff) the supplemental agreement (II) to the share purchase agreement (股權收購協議之補充協議(二)) dated June 2, 2023 entered into amongst Shanghai Voicecomm Rongzhi Technology Group Co., Ltd. (上海聲通融智技術集團有限公司), Xi'an Jinxuntong Software Technology Co., Ltd. (西安金訊通軟件技術有限公司), Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司), Mr. Han Zhaoning (韓召寧), and the Company, pursuant to which, among other things, the parties agreed to amend the terms of acquisition of equity interests of Xian Jinxun Digital Intelligence Information Technology Co., Ltd. (西安金訊數智信息技術有限公司);

(gg) the cornerstone investment agreement (基石投資協議) dated June 25, 2024 entered into amongst the Company, Wuhan Guangtong Gongying Enterprise Management Partnership (Limited Partnership) (武漢光通共贏企業管理合夥企業(有限合夥)) and China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司), pursuant to which Wuhan Guangtong Gongying Enterprise Management Partnership (Limited Partnership) (武漢光通共贏企業管理合夥企業(有限合夥)) has agreed to subscribe for at the Offer Price (i) the number of H Shares (rounded down to the nearest whole board lot of 20 H Shares) that may be purchased with an amount of Hong Kong dollar equivalent of RMB200.0 million (exclusive of brokerage, SFC transaction levy, Stock Exchange trading fee, and AFRC transaction levy), or (ii) 33.3% of the number of Offer Shares offered under the Global Offering (rounded down to the nearest whole board lot of 20 H Shares and assuming that the Over-allotment Option is not exercised), whichever the lower;

(hh) the cornerstone investment agreement (基石投資協議) dated June 25, 2024 entered into amongst the Company, Jiangsu Jiangkong Investment Co., Ltd. (江蘇江控投資有限公司), China International Capital Corporation Hong Kong Securities Limited (中國國際金融香港證券有限公司) and Orient Securities (Hong Kong) Limited (東方證券(香港)有限公司), pursuant to which Jiangsu Jiangkong Investment Co., Ltd. (江蘇江控投資有限公司) has agreed to subscribe for at the Offer Price the number of H Shares (rounded down to the nearest whole board lot of 20 H Shares) that may be purchased with an amount of Hong Kong dollar equivalent of RMB50.0 million (inclusive of brokerage, SFC transaction levy, Stock Exchange trading fee, and AFRC transaction levy); and

(ii) the Hong Kong Underwriting Agreement.

2. Our Material Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Name of registered proprietor	Registration no.	Class	Expiry date
1.		PRC	Our Company	13692715	42	February 13, 2035
2.	声通科技	PRC	Our Company	13692705	42	February 6, 2035
3.	Voicecomm Technology	PRC	Our Company	13692687	42	February 13, 2035
4.	声通科技	PRC	Our Company	13692486	38	February 13, 2035
5.		PRC	Our Company	13692419	35	August 13, 2035
6.	声通科技	PRC	Our Company	13692415	35	February 14, 2035
7.	Voicecomm Technology	PRC	Our Company	13692400	35	February 13, 2035
8.	声通科技 voicecomm	PRC	Our Company	70966685	42	November 13, 2033

As of the Latest Practicable Date, we had registered the following trademark in Hong Kong which we consider to be or may be material to our business:

No.	Trademark	Registration number	Class	Name of owner	Place of registration	Expiry date
1	A B C D	306252813	9, 16, 35, 38, 42	Our Company	Hong Kong	May 24, 2033

(b) ***Patents***

As of the Latest Practicable Date, we had registered the following patents in the PRC which we consider to be or may be material to our business:

NO.	Patent	Name of registered owner	Patent category	Patent number	Date of application	Validity period (from the application date)
1.	Fine-grained preemptive resource scheduling system and method based on container cluster platform (基於容器集群平台的細粒度搶佔式資源調度系統及方法) *(Notes 1 & 3)*	Our Company	Invention	201811198082X	October 15, 2018	20 years
2.	Quality of service assurance methods and systems for deep learning tasks based on container clusters (基於容器集群的深度學習任務服務質量保證方法和系統) *(Notes 2 & 3)*	Our Company	Invention	2019106720780	July 24, 2019	20 years
3.	A big data analysis device (一種大數據分析裝置) *(Note 4)*	Jinxun Digital Intelligence	Utility model	2021200475595	January 8, 2021	10 years
4.	A device for classifying and identifying reports of hotline information on epidemic rumors and appeals (一種熱線信息的疫情謠言訴求舉報分類識別裝置) *(Note 4)*	Jinxun Digital Intelligence	Utility model	2021200475472	January 8, 2021	10 years

NO.	Patent	Name of registered owner	Patent category	Patent number	Date of application	Validity period (from the application date)
5.	A data management system for intelligent knowledge base (一種智能知識庫數據管理系統) *(Note 4)*	Jinxun Digital Intelligence	Utility model	2020229632208	December 10, 2020	10 years
6.	A big data analysis system for government hotlines (一種政務熱線大數據分析系統) *(Note 4)*	Jinxun Digital Intelligence	Utility model	2020229685879	December 10, 2020	10 years

Notes:

1. The patent application was filed by Shanghai Jiao Tong University (上海交通大學) on October 15, 2018 in the PRC and issued on April 2, 2021 to Shanghai Jiao Tong University (上海交通大學).

2. The patent application was filed by Shanghai Jiao Tong University (上海交通大學) on July 24, 2019 in the PRC and issued on February 25, 2022 to Shanghai Jiao Tong University (上海交通大學).

3. Pursuant to the intellectual property transfer contract entered into between our Company and Shanghai Jiao Tong University (上海交通大學) dated August 5, 2022, Shanghai Jiao Tong University agreed to transfer the ownership of the patents to our Company at the consideration of RMB100,000. Our Company is the current owner of the patents in the PRC.

4. Pursuant to the equity transfer agreement entered into between our Company and Jinxuntong Software Technology and Jinxun Digital Intelligence dated November 28, 2022, we acquired 51% equity interest in Jinxun Digital Intelligence partly through the acquisition from Jinxuntong Software Technology and partly through a capital injection, as part of the acquisition of assets. Jinxuntong Software Technology has transferred the ownership of the four patents to Jinxun Digital Intelligence in accordance with the terms of the equity transfer agreement. Jinxun Digital Intelligence is currently the owner of the four patents in the PRC.

As of the Latest Practicable Date, we had applied for registration of the following patents in the PRC which we consider to be or may be material to our business:

No.	Patent	Name of applicant	Patent category	Application number	Date of application
1.	Similarity-based workflow activity alignment methods and systems (基於相似度的工作流活動對齊方法及系統)	Our Company, Shanghai Jiao Tong University (上海交通大學)	Invention	202210866673X	July 22, 2022

No.	Patent	Name of applicant	Patent category	Application number	Date of application
2.	Method and system for cross-channel irrelevant-content-speaker recognition based on adversarial learning (基於對抗學習的跨通道內容無關說話人識別方法及系統)	Our Company, Shanghai Jiao Tong University (上海交通大學)	Invention	2022102617886	March 17, 2022
3.	Method and system for event matching based on hardware contextual computing in content distribution systems (基於內容分發系統中硬件運算感知的事件匹配方法及系統)	Our Company, Shanghai Jiao Tong University (上海交通大學)	Invention	2021116784409	December 31, 2021
4.	Container GPU resource monitoring system in a container cluster environment (容器集群環境下容器GPU資源監控系統)	Our Company, Shanghai Jiao Tong University (上海交通大學)	Invention	2021116011129	December 24, 2021
5.	An artificial intelligence-based marketing data screening and analysis system (一種基於人工智慧的營銷數據篩選分析系統)	Our Company	Invention	2021112249034	October 21, 2021
6.	A natural language-based content moderation system (一種基於自然語言處理的內容審核系統)	Our Company	Invention	2021106538395	June 11, 2021
7.	An intelligent customer service system for financial products (一種金融產品智能客服系統)	Our Company	Invention	2021105778599	May 26, 2021
8.	An intelligent logistics customer service robot (一種智能物流客服機器人)	Our Company	Invention	2021105779036	May 26, 2021
9.	An intelligent interaction platform based on automatic speech recognition and natural language processing (一種基於自動語音識別和自然語言處理的智能交互平台)	Our Company	Invention	2021105794801	May 26, 2021
10.	An intelligent logistics customer service robot based on voice information analysis (一種基於語音信息分析的智能物流客服機器人)	Our Company	Invention	2021105795344	May 26, 2021

No.	Patent	Name of applicant	Patent category	Application number	Date of application
11.	An intelligent voice customer service exchange system (一種智能語音客服交換系統)	Our Company	Invention	2021105795359	May 26, 2021
12.	An intelligent car maintenance robot (一種智能汽車維保機器人)	Our Company	Invention	2021106061600	May 26, 2021
13.	A system and method for data storage used in AI learning models (用於人工智能學習模式的數據存儲系統與方法)	Our Company	Invention	202311721155X	December 13, 2023
14.	A system and method for energy efficiency AI analysis (一種能效人工智能分析系統及方法)	Our Company	Invention	2023117168210	December 13, 2023
15.	A system and method for AI service (一種人工智能服務系統及方法)	Our Company	Invention	2023117174353	December 13, 2023
16.	System and method for network-based video security inspection (一種基於網絡的視頻安防巡檢系統及其方法)	Our Company	Invention	2024100201004	January 6, 2024
17.	A method for online deep learning inference service partitioning based on serverless computing (基於無服務器計算的在線深度學習推理服務分割方法)	Our Company	Invention	2024101641675	February 5, 2024
18.	Method and system for meta-universe data transmission and exchange based on the convergence of foundations (基於底座融合的元宇宙數據傳輸交換方法及系統)	Our Company	Invention	2024101934977	February 21, 2024
19.	Method and system for the monitoring and management of smart city based on multi-domain data integration and analysis (基於多領域數據整合分析的智慧城市監測管理方法及系統)	Our Company	Invention	2024101934943	February 21, 2024

No.	Patent	Name of applicant	Patent category	Application number	Date of application
20.	A method and system for online customer service real-time assignment (一種在線客服實時分配方法和系統)	Our Company	Invention	2024103200037	March 20, 2024
21.	A method and system for navigation and path planning of automatic driving and unmanned delivery vehicle (一種自動駕駛無人配送車輛導航與路徑規劃方法及系統)	Our Company	Invention	2024103203340	March 20, 2024
22.	A system for intelligent unmanned retail automated interaction system (一種智能無人零售自動交互系統)	Our Company	Invention	2024102542234	March 6, 2024
23.	A method and system for medical video online diagnosis and treatment (一種醫療視頻在線診療方法及系統)	Our Company	Invention	2024102449324	March 5, 2024
24.	A method and system for driving route decision-making of unmanned vehicle (一種無人駕駛車輛的駕駛路線決策方法及系統)	Our Company	Invention	2024102427217	March 4, 2024
25.	A system and method for intelligent security surveillance management based on video analysis (一種基於視頻分析的安全監控智能管理系統及方法)	Our Company	Invention	2024102316873	March 1, 2024
26.	A system and method for industrial IOT inspection based on online video (一種基於在線視頻的工業物聯網巡檢系統及方法)	Our Company	Invention	2024102285447	February 29, 2024
27.	An unmanned medium bus scheduling system and method (一種無人中巴車調度系統及方法)	Our Company	Invention	2024103200056	March 20, 2024

(c) Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights in the PRC which we consider to be or may be material to our business:

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
1.	Voicecomm multimedia access gateway platform (聲通多媒體接入網關平台)	Our Company	2022SR0580839	May 12, 2022
2.	Voicecomm multimedia softswitch (聲通多媒體軟交換平台)	Our Company	2022SR0580840	May 12, 2022
3.	Voicecomm voice annunciation software (聲通語音播報軟件)	Our Company	2022SR0580838	May 12, 2022
4.	Voicecomm cross-platform marketing and distribution system (聲通跨平台營銷發佈系統)	Our Company	2022SR0323811	March 8, 2022
5.	Intelligent computing service system (智能計算服務系統)	Our Company, Shanghai Jiao Tong University (上海交通大學)	2022SR0186866	January 28, 2022
6.	EPS e-procurement financial docking software (EPS電子採購財務對接軟件)	Our Company	2021SR0793280	May 28, 2021
7.	SCRM Social customer relationship management system (SCRM社會化客戶關係管理系統)	Our Company	2021SR0652709	May 10, 2021
8.	Voicecomm AI intelligent outbound call platform software (聲通AI智能外呼平台軟件)	Our Company	2021SR0116747	January 21, 2021
9.	Voicecomm ASR intelligent speech recognition platform software (聲通ASR智能語音識別平台軟件)	Our Company	2021SR0116651	January 21, 2021
10.	Voicecomm's high-precision positioning and airport-specific high-precision map, real-time video, risk alert dynamic management system software system (聲通高精度定位與機場專用高精度地圖、即時視頻、風險告警動態管理系統軟體系統)	Our Company	2020SR1622789	November 23, 2020
11.	Voicecomm product lifecycle data collection system (聲通產品生命週期數據採集系統)	Our Company	2020SR1622786	November 23, 2020
12.	Voicecomm new energy vehicle safety driving management system (聲通新能源車輛安全駕駛管理系統)	Our Company	2020SR1622785	November 23, 2020

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
13.	Voicecomm's cross-platform front-end in-vehicle video safety monitoring system (聲通跨平台前端車載視頻安全監控管理系統)	Our Company	2020SR1618059	November 20, 2020
14.	Voicecomm emission standard integrated environmental management system (聲通排放標準環保一體化管理系統)	Our Company	2020SR1618060	November 20, 2020
15.	Voicecomm IoT spatial design management system (聲通物聯網空間設計管理系統)	Our Company	2020SR1618013	November 20, 2020
16.	Voicecomm IoT safety data analysis system (聲通物聯網安全數據分析系統)	Our Company	2020SR1618012	November 20, 2020
17.	Voicecomm video processing and safety management integrated system software (聲通視頻處理與安全管理集成系統軟件)	Our Company	2020SR1618011	November 20, 2020
18.	Voicecomm high precision intelligent vehicle management service software (聲通高精度智慧化車輛管理服務軟件)	Our Company	2020SR1617687	November 20, 2020
19.	Voicecomm big data-based driving behavior analysis system development software (聲通基於大資料分析的駕駛行為分析系統開發軟件)	Our Company	2020SR1617689	November 20, 2020
20.	Voicecomm high-precision BeiDou-based driving risk assessment management software (聲通基於北斗高精度的駕駛風險評估管理軟件)	Our Company	2020SR1617688	November 20, 2020
21.	Voicecomm IoT data collection management system (聲通物聯網數據採集管理系統)	Our Company	2020SR1617634	November 20, 2020
22.	Voicecomm Internet-based call centre management system (聲通基於互聯網的呼叫中心管理系統)	Our Company	2020SR1616552	November 20, 2020
23.	Voicecomm intelligent marketing management robot platform software (聲通智能營銷管理機器人平台軟件)	Our Company	2020SR0056664	January 13, 2020
24.	Voicecomm intelligent robot customer service management software (聲通智能機器人客戶服務管理軟件)	Our Company	2019SR1202258	November 23, 2019

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
25.	Voicecomm cloud-based customer service software (聲通雲客服軟件)	Our Company	2018SR079384	January 31, 2018
26.	Voicecomm multimedia customer service system (聲通多媒體客服系統)	Our Company	2018SR078648	January 31, 2018
27.	Voicecomm amany call centre software (聲通Amany呼叫中心軟件)	Our Company	2018SR077897	January 31, 2018
28.	Voicecomm amany call centre system software (聲通雲呼叫中心系統軟件)	Our Company	2016SR233905	August 25, 2016
29.	Voicecomm all media intelligent car network call centre system Software (聲通全媒體智能車聯網呼叫中心系統軟件)	Our Company	2016SR230929	August 23, 2016
30.	Voicecomm amany call center software (聲通Amany呼叫中心軟件)	Our Company	2016SR228126	August 22, 2016
31.	Voicecomm multimedia marketing platform software (聲通多媒體營銷平台軟件)	Our Company	2015SR115834	June 25, 2015
32.	Voicecomm hospital department system management software (聲通醫院科室系統管理軟件)	Our Company	2014SR148732	October 9, 2014
33.	Voicecomm configuration management system software (聲通配置管理系統軟件)	Our Company	2014SR111934	August 4, 2014
34.	Voicecomm meter monitoring software (聲通報表監控軟件)	Our Company	2014SR111856	August 4, 2014
35.	Voicecomm air call management platform software (聲通航空呼叫管理平台軟件)	Our Company	2014SR111938	August 4, 2014
36.	Voicecomm billing system reporting software (聲通計費系統報表軟件)	Our Company	2014SR111421	August 4, 2014
37.	Voicecomm e-commerce agent application software (聲通電商座席應用軟件)	Our Company	2014SR111414	August 4, 2014
38.	Voicecomm CRM software for futures business (聲通期貨業務CRM軟件)	Our Company	2014SR111418	August 4, 2014
39.	Voicecomm SMS platform software (聲通短信平台軟件)	Our Company	2012SR063819	July 16, 2012
40.	Voicecomm IVR server software (聲通IVR服務器軟件)	Our Company	2012SR062047	July 11, 2012
41.	Voicecomm agent software (聲通座席軟件)	Our Company	2012SR060379	July 6, 2012

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
42.	Voicecomm logistics CRM software (聲通物流CRM軟件)	Our Company	2012SR060382	July 6, 2012
43.	Voicecomm call center CRM software (聲通呼叫中心CRM軟件)	Our Company	2012SR060388	July 6, 2012
44.	Voicecomm Amany multimedia call centre software (聲通Amany多媒體呼叫中心軟件)	Our Company	2006SR04427	April 13, 2006
45.	Big data intelligent speech semantic analysis system (大數據智能語音語義分析系統)	Our Company	2022SR1263814	August 24, 2022
46.	Multimedia call center integrated service system (多媒體呼叫中心綜合服務系統)	Our Company	2022SR1263858	August 24, 2022
47.	Intelligent internet dynamic video management system (智能互聯網動態視頻管理系統)	Our Company	2022SR1264045	August 24, 2022
48.	Multidimensional data speech semantic analysis and traceability system (多維度數據語音語義分析與溯源系統)	Our Company	2022SR1264044	August 24, 2022
49.	Voicecomm NLP semantic analysis system (聲通NLP語音語義分析系統)	Our Company	2022SR1264043	August 24, 2022
50.	Voicecomm TTS speech transcription software (聲通TTS語音轉譯軟件)	Our Company	2022SR1264042	August 24, 2022
51.	Video call center business management system (視頻呼叫中心業務管理系統)	Our Company	2022SR1263889	August 24, 2022
52.	Cloud-based intelligent quality inspection system (雲端智能質檢系統)	Our Company	2022SR1263888	August 24, 2022
53.	5G video call center systems (5G視頻呼叫中心系統)	Our Company	2022SR1263887	August 24, 2022
54.	Intelligent video online inspection management software (智能視頻在線檢測管理軟件)	Our Company	2022SR1264170	August 24, 2022
55.	OCR image and text recognition system of Voicecomm (聲通ocr圖片文字識別系統)	Our Company	2024SR0030180	January 4, 2024
56.	Digital smart campus platform of Voicecomm (聲通數字智慧校園平台)	Our Company	2024SR0165389	January 25, 2024

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
57.	Smart campus management software of Voicecomm (聲通智慧校園管理軟件)	Our Company	2024SR0160431	January 24, 2024
58.	Integrated bioinformatics online platform (集成生物信息在線匯總平台)	Our Company	2023SR1261368	October 19, 2023
59.	Visualized intelligent evaluation management system for customer service platform (可視化智能客服平台服務評價管理系統)	Our Company	2023SR1255156	October 18, 2023
60.	Safety production quality evaluation system (安全生產質量評測系統)	Our Company	2023SR1253694	October 18, 2023
61.	Intelligent portrait appraisal data evaluation management system (人像智能鑒定數據評估管理系統)	Our Company	2023SR1253971	October 18, 2023
62.	Vehicle behavior monitoring platform (車輛行為監測平台)	Our Company	2023SR1254211	October 18, 2023
63.	Visualized supervision platform for the asset catalog of data development (數據開發資產目錄可視化監管平台)	Our Company	2023SR1254837	October 18, 2023
64.	Enterprise AI application data backup management platform (企業人工智能應用數據備份管理平台)	Our Company	2023SR1245064	October 17, 2023
65.	R&D and technical service data collection and analysis system (研發和技術服務數據採集分析系統)	Our Company	2023SR1247252	October 17, 2023
66.	Platform for the collection and processing of big data from videos (視頻大數據採集處理平台)	Our Company	2023SR1247137	October 17, 2023
67.	Platform for the exploration, analysis and processing of visualized data (可視化數據挖掘分析處理平台)	Our Company	2023SR1246719	October 17, 2023
68.	Visualized management system for integrated bioanalytical data (集成生物分析數據可視化管理系統)	Our Company	2023SR1221898	October 12, 2023
69.	Information management platform for intelligent artificial digital twins (智能人工數字孿生信息管理平台)	Our Company	2023SR1224135	October 12, 2023

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
70.	Commercial OCR information aggregation platform (商業OCR信息匯總平台)	Our Company	2023SR1222702	October 12, 2023
71.	3D display platform for intelligence operation data of smart city (智慧城市智能運營數據三維展示平台)	Our Company	2023SR1217582	October 11, 2023
72.	Management system for the process planning of AI smart application development (AI智能應用開發流程規劃管理系統)	Our Company	2023SR1216975	October 11, 2023
73.	A system for intelligent computing service (智能計算服務系統)	Our Company	2024SR0438160	March 27, 2024
74.	A software for intelligent store management platform (智慧門店管理平台軟件)	Chongqing Voicecomm	2024SR0795784	June 12, 2024
75.	Intelligent robot voice recognition system (智能機器人語音識別系統)	Shandong Voicecomm Information Technology	2022SR0713931	June 7, 2022
76.	Intelligent cloud communication messaging process monitoring and management system (智能雲通信信息傳遞過程監督管理系統)	Shandong Voicecomm Intelligent Technology	2022SR0620291	May 23, 2022
77.	Cuiwen CRM customer management software (萃問CRM客戶管理軟件) *(Note 1)*	Yuanya Information	2021SR0073260	January 14, 2021
78.	Cuiwen CRM specific data import software (萃問CRM特定數據導入軟件) *(Note 1)*	Yuanya Information	2021SR0073420	January 14, 2021
79.	Cuiwen CRM system operation monitoring and configuration centre software (萃問CRM系統運行監控配置中心軟件) *(Note 1)*	Yuanya Information	2021SR0073421	January 14, 2021
80.	Cuiwen CRM operation statistics software (萃問CRM運營數據統計軟件) *(Note 1)*	Yuanya Information	2021SR0073257	January 14, 2021
81.	Cuiwen POC car option and recommendation management platform software (萃問POC汽車選配及推薦管理平台軟件) *(Note 1)*	Yuanya Information	2021SR0073422	January 14, 2021
82.	Cuiwen POC car sales software (萃問POC汽車銷售軟件) *(Note 1)*	Yuanya Information	2021SR0073258	January 14, 2021

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
83.	Cuiwen customer file operation and maintenance management centre software (萃問客戶檔案運維管理中心軟件) *(Note 1)*	Yuanya Information	2021SR0074129	January 14, 2021
84.	Cuiwen car e-commerce platform software (萃問汽車電商平台軟件) *(Note 1)*	Yuanya Information	2021SR0073414	January 14, 2021
85.	Cuiwen car e-commerce management backend software (萃問汽車電商管理後台軟件) *(Note 1)*	Yuanya Information	2021SR0073259	January 14, 2021
86.	Cuiwen e-commerce after-sales order management platform software (萃問電商售後訂單管理平台軟件) *(Note 1)*	Yuanya Information	2021SR0073430	January 14, 2021
87.	Cuiwen CRM data integration software (萃問電商平台CRM資料集成軟件) *(Note 1)*	Yuanya Information	2021SR0073429	January 14, 2021
88.	Cuiwen pre-sales order centre software (萃問電商預售訂單中心軟件) *(Note 1)*	Yuanya Information	2021SR0074128	January 14, 2021
89.	Cuiwen unified registration and login center software (萃問統一註冊登錄中心軟件) *(Note 1)*	Yuanya Information	2021SR0073423	January 14, 2021
90.	Yuanya vehicle delivery process management software (淵雅交車流程管理軟件)	Yuanya Information	2022SR0377365	March 22, 2022
91.	Yuanya auto direct sales automation process control software (淵雅汽車直銷自動化流程控制軟件)	Yuanya Information	2022SR0376463	March 22, 2022
92.	Yuanya electric vehicle charging security software (淵雅電動汽車充電安全軟件)	Yuanya Information	2023SR0840309	July 17, 2023
93.	Yuanya electric vehicle charging pile data information management system (淵雅電動汽車充電樁數據信息管理系統)	Yuanya Information	2023SR0867143	July 21, 2023
94.	Yuanya automotive customer lead research platform software (淵雅汽車客戶線索研究平台軟件)	Yuanya Information	2023SR0840319	July 17, 2023
95.	Yuanya automobile configurator tool debugging and improvement software (淵雅汽車配置器工具調試改進軟件)	Yuanya Information	2023SR0840320	July 17, 2023

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
96.	Yuanya private domain traffic monetization software (淵雅私域流量變現軟件)	Yuanya Information	2023SR0840308	July 17, 2023
97.	Yuanya sales commission ratio setting software (淵雅銷售佣金比例設置軟件)	Yuanya Information	2023SR0844098	July 18, 2023
98.	Yuanya sales commission intelligent distribution system (淵雅銷售佣金智能分發系統)	Yuanya Information	2023SR0867118	July 21, 2023
99.	Yuanya user feedback research platform (淵雅用戶反饋調研平台)	Yuanya Information	2023SR0867117	July 21, 2023
100.	Yuanya user management software (淵雅用戶管理軟件)	Yuanya Information	2023SR0844191	July 18, 2023
101.	Yuanya user evaluation intelligent control software (淵雅用戶評價智能控制軟件)	Yuanya Information	2023SR0844249	July 18, 2023
102.	Yuanya user rights center data statistics software (淵雅用戶權益中心數據統計軟件)	Yuanya Information	2023SR0844258	July 18, 2023
103.	Yuanya user experience deep computing algorithm design system (淵雅用戶體驗深度計算算法設計系統)	Yuanya Information	2023SR0867116	July 21, 2023
104.	Yuanya intelligent omni-channel portal management control system (淵雅智能化全渠道門戶管理控制系統)	Yuanya Information	2024SR0848908	June 21, 2024
105.	Digital village data governance system (數字鄉村數據治理系統)	Jinxun Digital Intelligence	2023SR0538106	May 12, 2023
106.	Digital village internet government service system (數字鄉村互聯網政務服務系統)	Jinxun Digital Intelligence	2023SR0537958	May 12, 2023
107.	Digital rural smart elderly care system (數字鄉村智慧養老系統)	Jinxun Digital Intelligence	2023SR0537867	May 12, 2023
108.	Digital village data asset management platform (數字鄉村數據資產管理平台)	Jinxun Digital Intelligence	2023SR0537852	May 12, 2023
109.	Jinxuntong targeted poverty alleviation publicity system (金訊通精準扶貧民調宣傳系統) *(Note 2)*	Jinxun Digital Intelligence	2023SR0826630	July 11, 2023
110.	Jinxuntong housing provident fund hotline service system (金訊通住房公積金熱線服務系統) *(Note 2)*	Jinxun Digital Intelligence	2023SR0826589	July 11, 2023

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
111.	Jinxuntong real estate customer service call center system (金訊通地產客服呼叫中心系統) *(Note 2)*	Jinxun Digital Intelligence	2023SR0826605	July 11, 2023
112.	Jinxuntong emergency command and dispatch system (金訊通應急指揮調度系統) *(Note 2)*	Jinxun Digital Intelligence	2023SR0826606	July 11, 2023
113.	Jinxuntong 12345 data standardization cloud platform (金訊通12345數據標準化雲平台) *(Note 2)*	Jinxun Digital Intelligence	2023SR0826604	July 11, 2023
114.	Jinxuntong big letters and visits platform system (金訊通大信訪平台系統) *(Note 2)*	Jinxun Digital Intelligence	2023SR0826607	July 11, 2023
115.	Digital village big data management system (數位鄉村大資料管理系統)	Jinxun Digital Intelligence	2023SR1177581	September 28, 2023
116.	Digital rural one-stop management system (數位鄉村一號通管理系統)	Jinxun Digital Intelligence	2023SR1171657	September 27, 2023
117.	Cloud-based rural one-code management system (雲上鄉村一碼通管理系統)	Jinxun Digital Intelligence	2023SR1177951	September 28, 2023
118.	12345 smart assistant system of Jinxuntong (金訊通12345智能助手系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0324212	February 28, 2024
119.	Big data analysis system for government affairs hotlines of Jinxuntong (金訊通政務熱線大數據分析系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323791	February 28, 2024
120.	12345 intelligent system for the classification of work orders of Jinxuntong (金訊通12345工單智能分類系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323764	February 28, 2024
121.	12345 customized reporting system of Jinxuntong (金訊通12345自定義報表系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323779	February 28, 2024
122.	12345 smart work order system of Jinxun Digital Intelligence (金訊數智12345智能工單系統)	Jinxun Digital Intelligence	2024SR0028448	January 4, 2024
123.	Entity intelligent extraction system of Jinxun Digital Intelligence (金訊數智實體智能提取系統)	Jinxun Digital Intelligence	2024SR0028540	January 4, 2024
124.	12345 multi-level assessment system of Jinxun Digital Intelligence (金訊數智12345多級考核系統)	Jinxun Digital Intelligence	2024SR0028560	January 4, 2024

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
125.	Work order centralized research and judgment system of Jinxun Digital Intelligence (金訊數智工單歸口研判系統)	Jinxun Digital Intelligence	2024SR0028565	January 4, 2024
126.	12345 smart platform system of Jinxun Digital Intelligence (金訊數智12345智慧平台系統)	Jinxun Digital Intelligence	2024SR0028570	January 4, 2024
127.	12345 government service hotline system of Jinxuntong (金訊通12345政務服務便民熱線系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323768	February 28, 2024
128.	12345 government service one number system of Jinxuntong (金訊通12345政務服務一號通系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323395	February 28, 2024
129.	12345 government service one number system of Jinxuntong (金訊通12345政務服務一號通系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323401	February 28, 2024
130.	12345 artificial intelligence application system of Jinxuntong (金訊通12345人工智能應用系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323370	February 28, 2024
131.	Performance monitoring system of 12345 government service of Jinxuntong (金訊通12345政務熱線效能監察系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323384	February 28, 2024
132.	Big data analysis platform V2.0 of Jinxuntong (金訊通大數據分析平台V2.0) *(Note 2)*	Jinxun Digital Intelligence	2024SR0323816	February 28, 2024
133.	Jinxun Digital Call Center System (金訊通呼叫中心系統) *(Note 2)*	Jinxun Digital Intelligence	2024SR0589690	April 30, 2024
134.	Intelligent customer service call center service system of Voicecomm (聲通智能客服呼叫中心服務系統)	Hainan Voicecomm Intelligent Technology	2024SR0238820	February 6, 2024
135.	Intelligent vehicle management service software (智能化車輛管理服務軟件)	Hainan Voicecomm Intelligent Technology	2024SR0226784	February 4, 2024
136.	Intelligent cloud-based customer service multimedia system (智能雲客服多媒體系統)	Hainan Voicecomm Intelligent Technology	2024SR0227164	February 4, 2024
137.	Smart city maintenance and operation management platform (智慧城市運維管理平台)	Voicecomm Jiachen	2024SR0170295	January 25, 2024

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
138.	Smart parking management software (智慧停車管理軟件)	Voicecomm Jiachen	2024SR0166424	January 25, 2024
139.	Voice intelligent interactive system (語音智能交互系統)	Voicecomm Jiachen	2024SR0166186	January 25, 2024
140.	Big data basic service analysis software (大數據基礎服務分析軟件)	Voicecomm Jiachen	2024SR0170894	January 25, 2024
141.	Parking Management Software (泊車管理軟件)	Voicecomm Jiachen	2024SR0165877	January 25, 2024
142.	Big data monitoring and analysis software (大數據監測分析軟件)	Voicecomm Jiachen	2024SR0170306	January 25, 2024
143.	Smart campus service platform software (智慧園區服務平台軟件)	Voicecomm Jiachen	2024SR0158988	January 24, 2024
144.	A platform for operation and maintenance of big data advertisement (廣告大數據運維平台)	Voicecomm Jiachen	2024SR0151872	January 23, 2024
145.	A system for advertisement data analysis (廣告數據分析系統)	Voicecomm Jiachen	2024SR0151860	January 23, 2024
146.	A software for intelligent analysis and examination on voice contents (智能語音內容分析審核軟件)	Voicecomm Xuanwu	2023SR1653534	December 18, 2023
147.	Amany call centre software of Voicecomm (聲通Amany呼叫中心軟件)	Voicecomm Xuanwu	2023AR0000214	September 21, 2023
148.	Smart area parking management software (智慧區域停車管理軟件)	Voicecomm Xuanwu	2023SR1696250	December 20, 2023
149.	Software for the collection, monitoring and analysis of big data (大數據採集監控分析軟件)	Voicecomm Xuanwu	2023SR1656468	December 18, 2023
150.	Risk and safety management and control system for smart campus (智慧園區風險安全管控系統)	Voicecomm Xuanwu	2023SR1658185	December 18, 2023
151.	Software for the data management of anti-epidemic law enforcement (防疫執法數據管理軟件)	Voicecomm Xuanwu	2023SR1612150	December 12, 2023
152.	Basic technology platform for big data (大數據基礎技術平台)	Voicecomm Xuanwu	2023SR1614045	December 12, 2023
153.	System for accurate placement and distribution of big data advertisements (大數據廣告精準投放及發佈系統)	Voicecomm Xuanwu	2023SR1617131	December 12, 2023
154.	Smart city spatial information support platform (智慧城市空間信息支撐平台)	Voicecomm Xuanwu	2023SR1617387	December 12, 2023

No.	Name of Software	Name of registered proprietor	Registration number	Date of Registration
155.	Disease tracing system and production and information management system software for epidemic control (疫病追溯體系和生產及防疫信息管理系統軟件)	Voicecomm Xuanwu	2023SR1602963	December 11, 2023
156.	Automatic intelligent voice response software (自動智能語音應答軟件)	Voicecomm Xuanwu	2023SR1605909	December 11, 2023
157.	Smart campus information platform software (智慧園區信息平台軟件)	Voicecomm Xuanwu	2023SR1606187	December 11, 2023

Notes:

1. Pursuant to the computer software copyright transfer contract entered into between Cuiwen Network and Yuanya Information dated November 30, 2020, Cuiwen Network agreed to transfer the rights of such software copyrights to Yuanya Information at a consideration of RMB1,000 per software copyright. Yuanya Information is currently the owner of such software copyrights in the PRC.

2. Pursuant to the equity transfer agreement entered into between our Company and Jinxuntong Software Technology and Jinxun Digital Intelligence dated November 28, 2022, we acquired 51% equity interest in Jinxun Digital Intelligence partly through the acquisition from Jinxuntong Software Technology and partly through a capital injection, as part of the acquisition of assets. Jinxuntong Software Technology has transferred the rights of such software copyrights to Jinxun Digital Intelligence in accordance with the terms of the equity transfer agreement. Jinxun Digital Intelligence is currently the owner of such software copyrights in the PRC.

(d) Domain Name

As of the Latest Practicable Date, we had registered the following domain name in the PRC which we consider to be or may be material to our business:

No.	Domain name	Registrant	Date of registration	Expiry date
1.	voicecomm.cn	Our Company	November 18, 2005	November 18, 2026
2.	voicecommsh.cn	Our Company	November 24, 2022	November 24, 2025
3.	kxdbsoft.com	Jinxun Digital Intelligence	October 25, 2022	October 25, 2024

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

The following table sets out the interests and short positions of our Directors and chief executive of our Company immediately following completion of the Global Offering and the Conversion of Unlisted Shares into H Shares in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are 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 entered in the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once our Shares are listed:

Name of Director/ Chief Executive	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares[8]	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date[1]	Approximate percentage of shareholding in the total share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]	Approximate percentage of shareholding in our Unlisted Shares/ H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)[2]
Mr. Tang[3] & [4]	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Unlisted Shares	11,099,558	35.74%	31.33%	49.48%
		H Shares	72,000	0.23%	0.20%	0.55%

Name of Director/ Chief Executive	Capacity/ nature of interest	Description of Shares upon completion of the Global Offering and the Conversion of Unlisted Shares into H Shares(8)	Number of Shares	Approximate percentage of shareholding in the total issued share capital of our Company as of the Latest Practicable Date(1)	Approximate percentage of shareholding in the total share capital of our Company upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)	Approximate percentage of shareholding in our Unlisted Shares/ H Shares (as appropriate) upon completion of the Global Offering (assuming no exercise of the Over-allotment Option)(2)
Mr. Sun(3) & (5)	Beneficial owner; interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%
Mr. Yang(3), (6) & (7)	Interest in a controlled corporation; interest held jointly with another person	Unlisted Shares H Shares	11,099,558 72,000	35.74% 0.23%	31.33% 0.20%	49.48% 0.55%

Notes:

(1) The calculation is based on the total number of 31,059,230 Shares in issue as at the Latest Practicable Date, including 22,433,317 Unlisted Shares and 8,625,913 Unlisted Shares which will be converted into H Shares upon completion of the Global Offering.

(2) The calculation is based on the total number of 22,433,317 Unlisted Shares and 12,991,573 H Shares in issue upon Listing (comprising (i) an aggregate of 8,625,913 Shares to be converted from Unlisted Shares; and (ii) 4,365,660 Shares to be issued pursuant to the Global Offering, (without taking into account the H Shares to may be issued upon the exercise of Over-allotment Option).

(3) Pursuant to the Concert Party Agreement dated March 20, 2021, Mr. Tang, Mr. Sun and Jiangfan Technology agreed that they shall act in concert with respect to, inter alia, the right to convene board meetings and general meetings, right to propose resolutions, nomination right, voting rights, nomination of senior management, and other matters which are subject to approval in general meetings or board meetings of the Company, for the period since the date of the Concert Party Agreement and up until they cease to hold any shares of the Company or upon the termination of the Concert Party Agreement. For details, see "History, Development and Corporate Structure – Concert Party Arrangement" in this prospectus. As such, each of the Concert Parties are deemed to be interested in the Shares each other is interested in.

(4) As at the Latest Practicable Date, Shares in which Mr. Tang is interested consist of (i) 3,498,000 Unlisted Shares held by him in his own personal capacity; (ii) 5,093,558 Unlisted Shares held by Voicecomm Rongzhi, a company held as to 99% by Mr. Tang and 1% by his spouse Ms. Xu, in which Mr. Tang is deemed to be interested under the SFO; and (iii) 2,580,000 Unlisted Shares (among which 72,000 Unlisted Shares will be converted to H Shares upon Listing) in which Mr. Tang is deemed to be interested as a result of being a party acting-in-concert with Mr. Sun and Jiangfan Technology.

(5) As at the Latest Practicable Date, Shares in which Mr. Sun is interested consist of (i) 1,800,000 Unlisted Shares held by him in his own personal capacity; (ii) 540,000 Unlisted Shares held by Jiageng Culture, a company wholly-owned by Mr. Sun, in which Mr. Sun is deemed to be interested under the SFO; and (iii) 8,831,558 Unlisted Shares (among which 72,000 Unlisted Shares will be converted to H Shares upon Listing) in which Mr. Sun is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Jiangfan Technology.

(6) Jiangfan Technology is wholly-owned by Jiangcheng Asset Management, which is in turn held as to 60.0% by Mr. Yang and 40.0% by Mr. Jiang Haisheng. By virtue of the SFO, Mr. Yang is deemed to be interested in the Shares that Jiangfan Technology is interested in.

(7) As at the Latest Practicable Date, Shares in which Jiangfan Technology is interested consist of (i) 240,000 Unlisted Shares (among which 72,000 Unlisted Shares will be converted to H Shares upon Listing) held by it in its own capacity; and (ii) 10,931,558 Unlisted Shares in which Jiangfan Technology is deemed to be interested as a result of being a party acting-in-concert with Mr. Tang and Mr. Sun.

(8) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares.

(b) Interests of the substantial shareholders in the Shares

Save as disclosed in the section headed "Substantial Shareholders" in this prospectus, immediately following the completion of the Global Offering and the Conversion of Unlisted Shares into H Shares and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, our Directors are not aware of any other person (not being a Director or chief executive of our Company) who will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who is, directly or indirectly, interested in 10% or more of the issued voting shares of our Company.

(c) Interests of the substantial shareholders of other members of our Group

The following table (together with its notes) sets out, so far as our Directors are aware, persons who will be, directly or indirectly, interested in 10% or more of the equity interests of our subsidiaries:

Member of our Group (being associated corporations)	Name of substantial shareholder	Nature of Interest	Approximate percentage of equity interests held by the substantial shareholder
Voicecomm Yilian	Shanghai Youjia Fire Engineering Testing Co., Ltd. (上海佑家消防工程檢測有限公司)(1)	Beneficial interest	33%
	Song Xiangfei (宋相飛)(1)	Interest in a controlled corporation	33%
	Ni Suping (倪素萍)(1)	Interest in a controlled corporation	33%
Yuanya Information	Cuiwen Network(2)	Beneficial interest	49%
	Wei Yangchun (衛陽春)(2)	Interest in a controlled corporation	49%
Jinxun Digital Intelligence	Jinxuntong Software Technology(3)	Beneficial interest	49%
	Han Zhaoning (韓召寧)(3)	Interest in a controlled corporation	49%

Notes:

(1) Shanghai Youjia Fire Engineering Testing Co., Ltd. (上海佑家消防工程檢測有限公司) is held as to 65% by Song Xiangfei (宋相飛) and 35% by Ni Suping (倪素萍). By virtue of the SFO, each of Song Xiangfei (宋相飛) and Ni Suping (倪素萍) is deemed to be interested in the equity interests of Voicecomm Yilian that Shanghai Youjia Fire Engineering Testing Co., Ltd. is interested in.

(2) Cuiwen Network is held as to 79% by Wei Yangchun (衛陽春). By virtue of the SFO, Wei Yangchun (衛陽春) is deemed to be interested in the equity interests of Yuanya Information that Cuiwen Network is interested in.

(3) Jinxuntong Software Technology is held as to 95% by Han Zhaoning (韓召寧). By virtue of the SFO, Han Zhaoning (韓召寧) is deemed to be interested in the equity interests of Jinxun Digital Intelligence that Jinxuntong Software Technology is interested in.

2. Particulars of Directors' and Supervisors' Service Contracts

We have entered into a contract with each of our Directors and Supervisors in respect of, among other things, compliance with relevant laws and regulations, and observance of the Articles of Association.

Save as disclosed in this prospectus, none of our Directors and Supervisors has or is proposed to have entered into any service contract with any member of our Group (excluding agreements expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. Emoluments of Directors and Supervisors

For the years 2021, 2022 and 2023, the aggregate amount of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and termination benefits of our Directors and Supervisors were RMB3.9 million, RMB5.2 million and RMB5.7 million, respectively. It is estimated that under the arrangements currently in force, the aggregate emolument payable to the Directors and Supervisors (excluding discretionary bonus) for the year ending December 31, 2024, will be RMB5.0 million.

Our Company's five highest paid individuals includes two, two and two Directors for each of the years 2021, 2022 and 2023, respectively. The aggregate amount of directors' fees, salaries, allowances and benefits in kind, discretionary bonuses, retirement scheme contributions, and termination benefits of five highest individuals (including Directors) for each of the years 2021, 2022 and 2023, were RMB5.8 million, RMB7.6 million and RMB8.3 million, respectively. During the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors, Supervisors or the five highest paid individuals as an inducement to join or upon joining our Company or as a compensation for loss of office in connection with the management of the affairs of our Company or any subsidiary during the Track Record Period.

During the Track Record Period, none of our Directors and Supervisors waived or agreed to waive any emolument.

For details of Directors' and Supervisors' remunerations during the Track Record Period as well as details of the five highest paid individuals, see notes 8 and 9 in the Accountants' Report as set out in Appendix I to this prospectus.

4. Disclaimers

Save as disclosed in this prospectus:

(a) none of our Directors, Supervisors or our chief executive has any interest or short position in the Shares, underlying Shares or debentures of us or any of our associated corporations (within the meaning of Part XV the SFO) which will have to be notified to us 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 us and the Stock Exchange pursuant to Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are listed on the Stock Exchange;

(b) none of our Directors or Supervisors is aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering and the Conversion of Unlisted Shares into H Shares (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;

(c) so far as is known to our Directors, none of our Directors, Supervisors, their respective close associates (as defined under the Listing Rules) or Shareholders who own more than 5% of the number of issued shares of our Company have any interests in the five largest customers or the five largest suppliers of our Group; and

(d) save as disclosed in this prospectus, none of our Directors, Supervisors or any of the parties listed in "Qualifications of Experts" of this Appendix is:

  (i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group;

  (ii) materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the PRC.

2. Litigation

Except as disclosed in this prospectus, as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our Group's results of operations or financial condition, taken as a whole.

3. Preliminary expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses for the purpose of the Listing Rules.

4. Promoter

Our Promoters are Mr. Tang, Mr. Sun and Mr. Shi Yerong (石業嶸). Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any Promoter in connection with the Global Offering and the related transactions described in this prospectus.

5. Taxation of Holders of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of the H Shares being sold or transferred.

(2) Consultation with professional advisors

Potential investors in the Global Offering are urged to consult their professional tax advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares (or exercising rights attached to them). None of us, the Sole Sponsor, the Sole Overall Coordinator, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other person or party involved in the Global Offering accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to our Shares.

6. Application for Listing

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares in issue and to be issued as mentioned in this prospectus. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

7. No Material Adverse Change

Our Directors confirmed that, up to the date of this prospectus, there has been no material adverse change in the financial or trading position or prospect of our Group since December 31, 2023 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

8. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this prospectus are as follows:

Name	Qualifications
China International Capital Corporation Hong Kong Securities Limited	Licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) regulated activities under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance
Jingtian & Gongcheng	PRC legal advisors
Shanghai iResearch Co., Ltd.	Industry consultant

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Consents

Each of the experts named in paragraph headed "– 8. Qualifications of Experts" in this section has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or the references to their names included herein in the form and context in which they are respectively included.

10. Sole Sponsor

China International Capital Corporation Hong Kong Securities Limited satisfies the independent criteria applicable to sponsors as 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 total fee of US$1,000,000 to act as the sponsor in connection with the proposed listing on the Stock Exchange.

11. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of 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.

12. Bilingual Prospectus

The English and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

Save as otherwise disclosed in this prospectus:

(a) within the two years preceding the date of this prospectus, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of our Company, if any, is under option or is agreed conditionally or unconditionally to be put under option;

(c) our Company has not issued nor agreed to issue any founder shares, management shares or deferred shares;

(d) our Company has no outstanding convertible debt securities or debentures;

(e) within the two years immediately preceding the date of this prospectus, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any capital of our Company;

(f) there is no arrangement under which future dividends are waived or agreed to be waived;

(g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(h) our Company is not presently listed on any stock exchange or traded on any trading system; and

(i) our Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited company and does not expect to be subject to the Sino-Foreign Joint Venture Law of the PRC.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of each of the material contracts referred to in the paragraph headed "B. Further Information about the Business of the Company – 1. Summary of Material Contracts" in Appendix VI to this prospectus; and

(b) the written consents issued by each of the experts and referred to in paragraph headed "D. Other information – 8. Qualifications of Experts" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Hong Kong Stock Exchange at **www.hkexnews.hk** and our website at **www.voicecomm.cn** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountants' Report of our Group for the three years ended December 31, 2021, 2022 and 2023 prepared by KPMG, the text of which is set out in Appendix I to this prospectus;

(c) the audited consolidated financial statements of our Group for the three years ended December 31, 2021, 2022 and 2023;

(d) the report received from KPMG on the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;

(e) the industry report issued by Shanghai iResearch Co., Ltd. referred to in the section headed "Industry Overview" in this prospectus;

(f) the PRC legal opinions issued by Jingtian & Gongcheng, our legal adviser on PRC law, in respect of certain general corporate matters of our Group;

(g) the material contracts referred to in the paragraph headed "B. Further Information about the Business of the Company – 1. Summary of Material Contracts" in Appendix VI to this prospectus;

(h) the service contracts referred to in "C. Further Information about Directors, Supervisors and Substantial Shareholders – 2. Particulars of Directors' and Supervisors' Service Contracts" in Appendix VI to this prospectus;

(i) the written consents referred to in the paragraph headed "D. Other Information – 9. Consents" in Appendix VI to this prospectus; and

(j) the PRC Company Law, the PRC Securities Law, together with unofficial English translations thereof.

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