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As filed with the Securities and Exchange Commission on December 20, 2022.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-1
REGISTRATION STATEMENT
Under
The Securities Act of 1933

QuantaSing Group Limited
(Exact name of Registrant as specified in its charter)

Cayman Islands	8200	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Room 710, 5/F, Building No. 1,
Zone No. 1, Ronghe Road
Chaoyang District, Beijing 100102
People's Republic of China
+86-10 6493-8177
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, NY 10168
(800) 221-0102
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Dan Ouyang, Esq. **Wilson Sonsini Goodrich & Rosati** **Professional Corporation** **Unit 2901, 29F, Tower C, Beijing Yintai Centre** **No. 2 Jianguomenwai Avenue** **Chaoyang District, Beijing 100022** **People's Republic of China** **+86-10 6529-8300**	**Benjamin Su, Esq.** **Daying Zhang, Esq.** **Latham & Watkins LLP** **18th Floor, One Exchange Square** **8 Connaught Place** **Central, Hong Kong** **+852 2912-2500**

Approximate date of commencement of proposed sale to the public:
As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant will file a further amendment which specifically states that this registration statement will thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the registration statement will become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS
Subject to Completion, dated

American Depositary Shares

QuantaSing Group Limited

Representing Class A Ordinary Shares

This is an initial public offering of American Depositary Shares ("ADSs") by QuantaSing Group Limited. Each ADS represents of our Class A ordinary shares, par value US$0.0001 per share. We anticipate that the initial public offering price per ADS will be between US$ and US$.

Prior to this offering, there has been no public market for the ADSs. We have applied to list the ADSs on the Nasdaq Stock Market, under the symbol "QSG."

Immediately prior to the completion of this offering, our issued and outstanding share capital will consist of Class A ordinary shares and Class B ordinary shares. Mr. Peng Li, our founder, chairman and chief executive officer, will beneficially own all of such issued Class B ordinary shares and will be able to exercise % of the total voting power of such issued and outstanding share capital immediately following the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Holder of each Class A ordinary share is entitled to one vote, and holder of each Class B ordinary share is entitled to ten votes. At the option of the holder of Class B ordinary shares, each Class B ordinary share is convertible into one Class A ordinary share at any time. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. For further information, see "Description of Share Capital."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, as amended, and, as such, may elect to comply with certain reduced public company reporting requirements in future reports after the completion of this offering.

Upon the completion of this offering, we will be a "controlled company" as defined under corporate governance rules of the Nasdaq Stock Market, because Mr. Peng Li, our founder, chairman and chief executive officer, will beneficially own % of our then issued and outstanding ordinary shares and will be able to exercise % of the total voting power of our issued and outstanding ordinary shares immediately after the consummation of this offering, assuming the underwriters do not exercise their option to purchase additional ADSs. As a result, Mr. Peng Li will have the ability to control or significantly influence the outcome of matters requiring approval by shareholders. For further information, see "Principal Shareholders" and "Risk Factor — Risks Related to the ADSs and this Offering — We will be a "controlled company" within the meaning of the Nasdaq Stock Market listing rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies."

QuantaSing Group Limited is a Cayman Islands holding company and not a Chinese operating company. We carry out our business in China through our wholly-owned PRC subsidiary ("WFOE") and its contractual arrangements, commonly known as the VIE structure, with a variable interest entity (the "VIE") and its subsidiaries (collectively, the "affiliated entities") based in China. The VIE structure is used to provide investors with exposure to foreign investment in China-based companies where the PRC law restricts direct foreign investment in certain operating companies, such as certain value-added telecommunication services and other internet related business. Neither QuantaSing Group Limited nor our WFOE owns any equity interests in the affiliated entities. Our contractual arrangements with the VIE and its nominee shareholder are not equivalent of an investment in the equity interest of the VIE, and investors may never hold equity interests in the Chinese operating companies, including the affiliated entities. Instead, we are regarded as the primary beneficiary of the VIE and consolidate the financial results of the affiliated entities under U.S. GAAP in light of the VIE structure. Investors in the ADSs are purchasing the equity securities of QuantaSing Group Limited, the Cayman Islands holding company, rather than the equity securities of the affiliated entities. As used in this prospectus, "we," "us," "our company," "our," "QuantaSing," or "QuantaSing Group" refers to QuantaSing Group Limited, together as a group with its subsidiaries, and, in the context of describing the substantive operations and financial information relating to such operations of QuantaSing Group Limited and its subsidiaries and the affiliated entities as a whole, refers to QuantaSing Group Limited and its subsidiaries and the affiliated entities. The VIE structure involves unique risks to investors in the ADSs. It may not provide effective operational control over the affiliated entities and also faces risks and uncertainties associated with, among others, the interpretation and the application of the current and future PRC laws, regulations and rules to such contractual arrangements. As of the date of this prospectus, the agreements under the contractual arrangements among our WFOE, the VIE and its nominee shareholder have not been tested in a court of law. If the PRC regulatory authorities find these contractual arrangements non-compliant with the restrictions on direct foreign investment in the relevant industries, or if the relevant PRC laws, regulations and rules or their interpretation change in the future, we could be subject to severe penalties or be forced to relinquish our interests in the VIE or forfeit our rights under the contractual arrangements. The PRC regulatory authorities could disallow the VIE structure at any time in the future, which would cause a material adverse change in our operations and cause the value of our securities you invested in this offering to significantly decline or become worthless. For further information, see "Risk Factors — Risks Related to Our Corporate Structure."

We face various legal and operational risks and uncertainties related to doing business in China as we, through our WFOE and the affiliated entities, conduct our operations in China. We are subject to complex and evolving laws and regulations in China. The PRC government has indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers, and initiated various regulatory actions and made various public statements, some of which are published with little advance notice, including cracking down on illegal activities in the securities market, enhancing supervision over China-based companies listed overseas, adopting new measures to extend the scope of cybersecurity reviews, and expanding efforts in anti-monopoly enforcement. For instance, we face risks associated with regulatory approvals on overseas offerings and oversight on cybersecurity and data privacy, which may impact our ability to conduct certain business, accept foreign investments, or list and conduct offerings on a U.S. or other foreign stock exchange. These risks could result in a material adverse change in our operations and the value of the ADSs, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For details, see "Risk Factors — Risks Related to Doing Business in China."

We are subject to a number of prohibitions, restrictions and potential delisting risk under the Holding Foreign Companies Accountable Act (the "HFCAA"). Pursuant to the HFCAA and related regulations, if we have filed an audit report issued by a registered public accounting firm that the Public Company Accounting Oversight Board (the "PCAOB") has determined that it is unable to inspect and investigate completely, the Securities and Exchange Commission (the "SEC") will identify us as a "Commission-identified Issuer," and the trading of our securities on any U.S. national securities exchange, as well as any over-the-counter trading in the United States, will be prohibited if we are identified as a Commission-identified Issuer for three consecutive years. There have been various initiatives to reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three to two years. On June 22, 2021, the U.S. Senate passed a bill known as the Accelerating Holding Foreign Companies Accountable Act to that effect, and on February 4, 2022, the United States House of Representatives passed a bill which contained, among others, an identical provision. If this provision is enacted into law, our shares and ADSs could be prohibited from trading in the United States if we are identified as a Commission-identified Issuer for two consecutive years. In August 2022, the PCAOB, the China Securities Regulatory Commission (the "CSRC") and the Ministry of Finance of the PRC signed a Statement of Protocol (the "Statement of Protocol"), which establishes a specific and accountable framework for the PCAOB to conduct inspections and investigations of PCAOB-governed accounting firms in mainland China and Hong Kong. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021

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determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainties and depends on a number of factors out of our and our auditor's control. The PCAOB continues to demand complete access in mainland China and Hong Kong moving forward and is making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has also indicated that it will act immediately to consider the need to issue new determinations with the HFCAA if needed. If the PCAOB is unable to inspect and investigate completely registered public accounting firms located in China and we fail to retain another registered public accounting firm that the PCAOB is able to inspect and investigate completely in 2023 and beyond, or if we otherwise fail to meet the PCAOB's requirements, the ADSs will be delisted from the Nasdaq Stock Market, and our shares and ADSs will not be permitted for trading over the counter in the United States under the HFCAA and related regulations. For details, see "Risk Factors — Risks Related to Doing Business in China — The ADSs will be delisted and our shares and ADSs will be prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act if the PCAOB is unable to inspect or investigate completely auditors located in China for three consecutive years or, if proposed changes to the law are enacted, for two consecutive years. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Cash may be transferred among QuantaSing Group Limited, our WFOE and the VIE, in the following manners: (1) funds may be transferred to our WFOE from QuantaSing Group Limited as needed through our subsidiaries in the BVI and/or Hong Kong in the form of capital contribution or shareholder loan, as the case may be; (2) funds may be paid by the VIE to our WFOE, as service fees according to the contractual arrangements; (3) dividends or other distributions may be paid by our WFOE to QuantaSing Group Limited through our subsidiaries in Hong Kong and the BVI; and (4) our WFOE and the VIE may lend to and borrow from each other from time to time for business operation purposes. In the fiscal years ended June 30, 2021 and 2022, and the three months ended September 30, 2021 and 2022, the total amount of the service fees that the VIE paid to our WFOE under the contractual arrangements was RMB204.1 million, RMB239.6 million, RMB13.0 million, and RMB60.5 million, respectively. As of June 30, 2021 and 2022 and September 30, 2022, (1) the aggregate amount of capital contribution by EW Technology Limited to our subsidiaries in the BVI and Hong Kong was nil, RMB51.7 million and RMB51.7 million, respectively; (2) the aggregate amount of capital contribution by QuantaSing Group Limited to our subsidiaries in the BVI and Hong Kong was nil, RMB47.1 million and RMB47.1 million, respectively; (3) the aggregate amount of capital contribution by QuantaSing Group Limited to our WFOE through our subsidiaries in the BVI and Hong Kong was nil, RMB64.2 million and RMB64.2 million, respectively; and (4) the outstanding balance of the principal amount of loans by our WFOE to the VIE was RMB7.0 million, nil and nil, respectively; and (5) the outstanding balance of the principal amount of loans by the VIE to our WFOE was nil, RMB156.0 million, and RMB130.2 million, respectively. For the fiscal years ended June 30, 2021 and 2022, and the three months ended September 30, 2021, the net cash transferred by the VIE to our WFOE was nil, RMB156.0 million and RMB21.0 million, respectively, in addition to the service fees paid under the contractual arrangements. For the three months ended September 30, 2022, the net cash repaid by our WFOE to the VIE was RMB25.8 million. In the fiscal years ended June 30, 2021 and 2022, except as disclosed above, there was no other cash transfer within our organization, and no assets other than cash were transferred within our organization. As of the date of this prospectus, none of QuantaSing Group Limited, our WFOE and the VIE has paid any dividends or made any distributions to their respective shareholder(s), including any U.S. investors. For details, see "Prospectus Summary — Summary Consolidated Financial and Operating Data — Consolidated Financial Statements," "Prospectus Summary — Summary Consolidated Financial and Operating Data — Financial Information Relating to the Affiliated Entities" and "Prospectus Summary — Implications of Being a Company with the Holding Company Structure and the VIE Structure — Cash and asset flows through our organization." We expect to continue to distribute earnings and settle the service fees owed under the VIE agreements at the request of our WFOE and based on our business needs, and we do not expect to declare dividends in the foreseeable future. We currently have not maintained any cash management policies that specifically dictate how funds shall be transferred among QuantaSing Group Limited, the subsidiaries of QuantaSing Group Limited (including our WFOE), the affiliated entities and investors. We will determine the payment of dividends and fund transfer based on our specific business needs in accordance with the applicable laws and regulations. See "Prospectus Summary — Dividend Distribution and Taxation."

To the extent our cash or assets in the business are in mainland China or Hong Kong or a mainland China or Hong Kong entity, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of QuantaSing Group Limited, our subsidiaries or the affiliated entities to transfer cash or assets. The PRC government imposes controls on the convertibility of RMB into foreign currencies and the remittance of funds out of China, which may restrict the transfer of cash between QuantaSing Group Limited, our subsidiaries, the affiliated entities or the investors. Under PRC laws and regulations, our WFOE and the affiliated entities are subject to certain restrictions with respect to payment of dividends or otherwise transfers of any of their net assets to us. Remittance of dividends by our WFOE out of China is also subject to certain procedures with the banks designated by the PRC State Administration of Foreign Exchange. These restrictions are benchmarked against the paid-up capital and the statutory reserve funds of our WFOE and the net assets of the VIE in which we have no legal ownership. While there are currently no such restrictions on foreign exchange and our ability to transfer cash or assets between QuantaSing Group Limited and our Hong Kong subsidiary, if certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong subsidiary in the future, and to the extent our cash or assets are in Hong Kong or a Hong Kong entity, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on our ability to transfer funds or assets by the PRC government. Furthermore, we cannot assure you that the PRC government will not intervene or impose restrictions on QuantaSing Group Limited, its subsidiaries and the affiliated entities to transfer or distribute cash within the organization, which could result in an inability of or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong. For details, see "Prospectus Summary — Implications of Being a Company with the Holding Company Structure and the VIE Structure — Cash and asset flows through our organization," "Prospectus Summary — Risks and Challenges — Risks Related to Doing Business in China," "Risk Factors — Risks Related to Doing Business in China — We rely on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have, and any limitation on the ability of our WFOE to make payments to us could have a material and adverse effect on our ability to conduct our business," and "Risk Factors — Risks Related to Doing Business in China — Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment."

See "Risk Factors" beginning on page 31 to read about factors you should consider before buying the ADSs.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

PRICE US$ PER ADS

	Per ADS	Total
Initial public offering price	US$	US$
Underwriting discounts and commissions(1)	US$	US$
Proceeds, before expenses to us(2)	US$	US$

(1) See the section titled "Underwriting" for a description of the compensation payable to the underwriters.
(2) Assumes no exercise of the underwriters' option to purchase additional ADSs.

The underwriters have a 30-day option to purchase up to an additional ADSs from us at the initial public offering price less the underwriting discounts and commissions. The underwriters expect to deliver the ADSs against payment in New York, on or about .

Citigroup **CICC**

Tiger Brokers

Prospectus dated

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量子之歌

Our mission is to improve people's quality of life and well-being by providing them lifelong personal learning and development opportunities.

Largest

The Largest Online Learning Service Provider in China's Adult Learning Market for Personal Interest Courses (1)

58.8million

Total Registered Users as of June 30, 2022

1.1million

Paying Learners in fiscal year 2022 (2)

RMB2.87billion

Revenues in fiscal year 2022 (2)

63.0%

Revenue Growth Rate from fiscal year 2021 to 2022 (2)

Notes:
(1) According to the F&S report
(2) Fiscal year end is June 30

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Until (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

You should rely only on the information contained in this prospectus or in any related free writing prospectus. We and the underwriters have not authorized anyone to provide you with information different from that contained in this prospectus or in any related free writing prospectus. We are offering to sell, and seeking offers to buy the ADSs, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the ADSs.

Neither we nor the underwriters have taken any action to permit a public offering of the ADSs outside the United States or to permit the possession or distribution of this prospectus or any filed free writing prospectus outside the United States. Persons outside the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about and observe any restrictions relating to the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside the United States.

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in the ADSs. You should read this entire prospectus carefully, including the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. This prospectus contains information from an industry report commissioned by us and prepared by Frost & Sullivan, an independent research firm, to provide information regarding our industry and our market position. We refer to this report as the F&S report.

What We Envision

We believe that personal learning and development is a lifelong journey. Everyone, regardless of background, should be given an equal opportunity to pursue their interests, passions, and goals.

Our mission is to improve people's quality of life and well-being by providing them lifelong personal learning and development opportunities.

Who We Are

QuantaSing Group is the largest online learning service provider in China's adult learning market for personal interest courses and among the top five service providers in China's total adult learning market, in terms of revenue in 2021, according to the F&S report. We offer easy-to-understand, affordable, and accessible online courses to adult learners under various brands, including *QiNiu*, *JiangZhen*, and *QianChi*, empowering them to pursue personal development.

We launched our financial literacy learning services in July 2019 and quickly became the largest online financial learning service provider for adults in China, with a market share of 36.9% in terms of revenue in 2021, according to the F&S report. In August 2021, we expanded our offerings into a selective repertoire of other personal interest courses beyond financial literacy, to leverage the general public's gradual awakening to more diverse needs in pursuing personal development and lifelong learning. In February 2020, we launched our marketing services to financial intermediary enterprises, allowing them to connect with our learners to enlarge their customer base. In June 2022, we launched our enterprise talent management services to provide enterprise customers with online talent assessment, training and learning services for internal employee management. These services have enabled us to broaden our service offerings into enterprise customers and evolve into a two-sided service provider for both individuals and enterprises.

Our technology capability forms the bedrock of our business growth. We continuously invest in our proprietary technology and business intelligence, embedding them in every key aspect of our business operations, from content development, live streaming, pre-recording, and intelligent study toolkits, to customer engagement, sales conversion, and operation management. By adopting various self-developed smart tools, we can gain real-time business intelligence during our courses to improve our teaching quality and learner experience, upgrade and enrich our course offerings, and ultimately, enhance the sales conversion for additional and/or more advanced courses.

We have benefited from our agile and scalable business model and experienced a significant growth in our business since we launched our financial literacy learning services in July 2019. As of November 30, 2022, we had accumulated approximately 75.1 million registered users, quadrupling from 17.0 million as of June 30, 2021. For the fiscal year ended June 30, 2022, we had approximately 1.1 million paying learners, representing a 37.5% increase from 0.8 million for the fiscal year ended June 30, 2021. For the five months ended November 30, 2022,

we had 0.5 million paying learners. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Operating Metrics" for details. Our total revenues were RMB1,759.9 million, RMB2,868.0 million (US$403.2 million), RMB744.0 million and RMB659.4 million (US$92.7 million) for the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We incurred net loss of RMB316.0 million, RMB233.4 million (US$32.8 million), RMB77.9 million and RMB97.3 million (US$13.7 million) in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We had adjusted net loss of RMB214.2 million, adjusted net profit of RMB58.0 million (US$8.2 million) and adjusted net loss of RMB48.8 million and RMB50.9 million (US$7.2 million) in the same periods, respectively. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures."

What We Offer

We offer (1) online courses under various brands to individual adult learners and (2) marketing services and enterprise talent management services to enterprise customers.

We provide our financial literacy courses under the brand *QiNiu* to democratize financial learning for the mass market. Fewer than 35% adults in China were financially literate as of 2021, significantly lower than that in other large economies such as the United States (57%) or the United Kingdom (67%), according to the F&S report. This has created a robust demand for our financial literacy courses. *QiNiu* offers free or paid financial literacy courses at introductory, intermediate, and advanced levels, covering topics across personal finance and wealth management. As our largest brand, *Qiniu* had approximately 59.7 million registered users as of November 30, 2022 and 1.0 million paying learners for the fiscal year ended June 30, 2022, compared with approximately 17.0 million registered users as of June 30, 2021 and 0.8 million paying learners for the fiscal year ended June 30, 2021. For the five months ended November 30, 2022, *Qiniu* had approximately 0.4 million paying learners.

We expanded our course offerings into other personal interest courses in August 2021. Leveraging our course development experience, well-designed technology infrastructure, and proven operating model from *QiNiu*, we quickly introduced our new brands, such as *JiangZhen* and *QianChi*, to provide other personal interest courses to adult learners. We have thoughtfully curated various trending courses, such as short video production courses, in response to the popularity of video blogging on social media, and personal well-being courses, in response to people's increased awareness of healthy lifestyles, and electronic keyboard and Chinese painting courses, in response to people's rising pursuits of personal hobbies. We, from time to time, adjust the course mix to capture the evolving market trends. We had quickly accumulated approximately 15.4 million registered users for other personal interest courses, as of November 30, 2022, and approximately 0.1 million and 0.1 million paying learners, for the fiscal year ended June 30, 2022 and the five months ended November 30, 2022, respectively.

Our fast growing user base, which consists of a large and loyal paying learner base, coupled with proven technology and accumulated experience, creates an immense business opportunity for us to become a two-sided service provider, delivering services to both individual learners and enterprises. We launched our marketing services to financial intermediary enterprises in February 2020, allowing them to connect with our learners to enlarge their customer base. In June 2022, we launched our enterprise talent management services, offering systematic online talent assessment, training and learning services to enterprises for internal employee management. We are continuously exploring more diverse opportunities to leverage our large user base, proven technology, and accumulated experience in online learning markets and achieve greater synergy. For instance, we are in the process of developing technical and operating services to enterprises interested in developing their proprietary online learning platform services.

What Sets Us Apart

We believe our success to date is primarily attributable to the following key competitive strengths.

- China's largest learning platform offering adult personal interest courses with strong growth trajectory;
- Innovative learning journey leading to strong user engagement;
- Scalable business model driving rapid launch of new course offerings and business opportunities;
- Robust technology infrastructure and business intelligence; and
- Visionary, seasoned management team and entrepreneurial corporate culture.

How We Approach the Future

We intend to pursue the following strategies to drive future growth.

- Grow user base and drive learner engagement;
- Enrich course offerings with proven demand;
- Develop enterprise services to achieve greater synergy;
- Invest in technology and data analytics;
- Attract and cultivate talent; and
- Expand overseas and pursue strategic collaborations.

Market Opportunities

We currently primarily operate in China's adult learning market for personal interest courses. China's online adult learning market for personal interest courses has been growing faster than the offline market in the past few years, and is expected to maintain the growth momentum from 2021 to 2026, benefiting from the growing online learning habits in the adult learning market in China. The market size of China's online adult learning market for personal interest courses, in terms of revenue, increased from RMB11.4 billion in 2017 to RMB22.7 billion (US$3.5 billion) in 2021, at a CAGR of 18.8%, and is expected to reach RMB62.1 billion (US$9.6 billion) in 2026, at a CAGR of 22.3% from 2021 to 2026, according to the F&S report. In particular, with respect to our financial literacy courses which have contributed significantly to our rapid growth, the market size of China's online financial learning market, in terms of revenue, increased from RMB5.0 billion in 2017 to RMB6.5 billion (US$1.0 billion) in 2021, at a CAGR of 6.8%, and is expected to reach RMB17.1 billion (US$2.6 billion) in 2026, at a CAGR of 21.3% from 2021 to 2026, according to the same source. See "Industry Overview" for details.

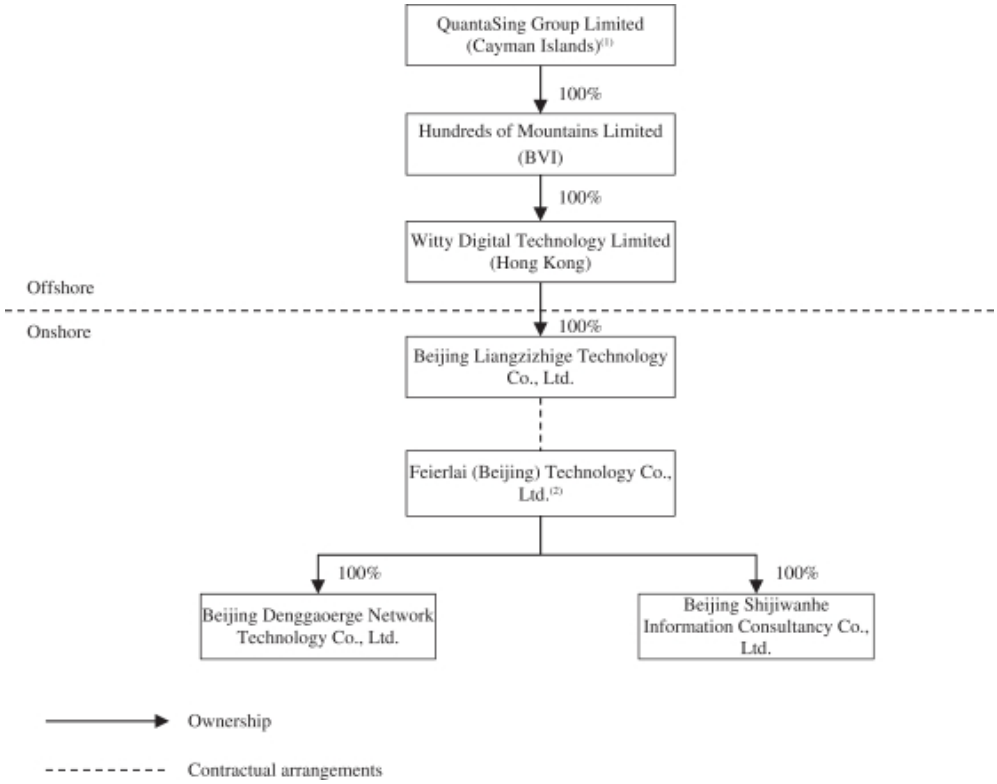
Corporate History and Structure

QuantaSing Group Limited is an exempted company with limited liability incorporated under the laws of the Cayman Islands with no substantive operation. We carry out our business in China through Beijing Liangzizhige, our WFOE, and its contractual arrangements, commonly known as the VIE structure, with Beijing Feierlai, a variable interest entity based in China, and its nominee shareholder.

We began our online learning services in July 2019 when we were within the group of Witty network Limited ("Witty network"), a Cayman Islands holding company held by our existing shareholders engaging in a wide range of businesses. In anticipation of our initial public offering and in order to focus on developing our current online learning and enterprise service business, our existing shareholders restructured our corporate

structure and spun-off our current business from Witty network and its affiliate, EW Technology Limited ("EW Technology"), into the entities within our group. These restructuring steps include, among others, incorporating QuantaSing Group Limited as our listing entity and establishing the VIE structure for our current business under QuantaSing Group Limited. The restructuring and spin-off was completed in May 2022. The VIE structure was established through a series of agreements entered into between our WFOE, the VIE and its nominee shareholder, comprising a voting rights proxy agreement, an equity pledge agreement, an exclusive consultancy and service agreement and an exclusive option agreement. The contractual arrangements allow us to (1) be considered as the primary beneficiary of the VIE for accounting purposes and consolidate the financial results of the affiliated entities, (2) receive substantially all of the economic benefits of the affiliated entities, (3) have the pledge right over the equity interests in the VIE as the pledgee, and (4) have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law. See "Corporate History and Structure" for details.

The following diagram illustrates our simplified corporate structure, including our principal subsidiaries and the affiliated entities, as of the date of this prospectus.



(1) See "Principal Shareholders" for details of our shareholding structures immediately prior to and after this offering.
(2) Beijing Feierlai is wholly owned by Shenzhen Erwan Education Technology Co., Ltd., an entity owned as to 99.0% by Mr. Peng Li, our founder, chairman and chief executive officer, and as to 1.0% by Ms. Li Meng, mother of Mr. Li.

The VIE structure is not equivalent of an investment in the equity interest of such entities. Neither QuantaSing Group Limited nor our WFOE owns any equity interests in the affiliated entities. Our contractual arrangements with the VIE and its nominee shareholder are not equivalent of an investment in the equity interest of the VIE. Investors are purchasing equity interests in QuantaSing Group Limited, the Cayman holding company, and are not purchasing, and may never hold, equity interests in the affiliated entities. Instead, we are regarded as the primary beneficiary of the VIE and consolidate the financial results of the affiliated entities under U.S. GAAP in light of the contractual arrangements. There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIE and its nominee shareholder through our WFOE, and we may incur substantial costs to enforce the terms of the arrangements. See "— Implications of Being a Company with the Holding Company Structure and the VIE Structure" for details. The VIE structure is associated with certain unique risks and uncertainties, including, among others, the risks that the contractual arrangements with the VIE and its shareholder may be less effective than direct ownership in providing operational control, and that such arrangement may not be enforceable under applicable laws and regulations. Such risks and uncertainties may result in a material adverse change in our operations, cause the value of any securities we offer to significantly decline or become worthless. See "— Implications of Being a Company with the Holding Company Structure and the VIE Structure — The VIE structure and its associated risks" and "Risk Factors — Risks Related to Our Corporate Structure" for details.

Risks and Challenges

Investing in the ADSs involves significant risks. You should carefully consider all of the information in this prospectus before making an investment in the ADSs. We set forth below a summary of the principal risks and challenges we face, organized under relevant headings. These risks are discussed more fully in the section titled "Risk Factors."

Risks related to our business and industry

Risks and uncertainties relating to our business and industry include, but are not limited to, the following:

- our limited history under the current business model and the risk that our historical performance and growth rate may not be indicative of our future performance;
- our ability to continue to attract users or increase their spending;
- our ability to adapt and expand our course offerings to effectively and timely address the change of market demands;
- the complexity, uncertainties and changes in PRC regulations applicable to our businesses, including the licensing requirements for our business, data privacy and personal information protection;
- our ability to maintain and enhance our brand recognition;
- the intense competition in the industry that we operate in;
- our ability to improve or maintain our user acquisition efficiency;
- our ability to timely develop attractive course materials or maintain high-quality teaching staff;
- our ability to price our courses and other services effectively; and
- the impact of the COVID-19 pandemic.

Risks related to our corporate structure

We primarily conduct our business through the contractual arrangements established by our WFOE with the VIE and a holding company structure. We, our WFOE, the affiliated entities and holders of our securities

(including the ADSs) are therefore subject to various legal and operational risks and uncertainties related to our corporate structure, which would result in a material adverse change in our operations, cause the value of any securities we offer to significantly decline or become worthless. Such risks and uncertainties include, but are not limited to, the following:

- the agreements that establish the structure of our operations in China to be found not compliant with PRC regulations relating to the relevant industries;
- the contractual arrangements with the VIE and its shareholder being less effective than direct ownership in providing operational control;
- uncertainty with respect to the enforceability of the contractual arrangements with the VIE and its shareholder;
- shareholder of the VIE having conflicts of interest with us;
- the risk that the contractual arrangements we have entered into with the VIE may be subject to scrutiny by the PRC tax authorities;
- uncertainties with respect to the interpretation and implementation, and any changes thereto, of the PRC Foreign Investment Law, and other PRC regulatory restrictions on foreign investment in the relevant industries; and
- the risk of losing the ability to use and enjoy assets held by the affiliated entities that are important to our business.

Risks related to doing business in China

We face various legal and operational risks and uncertainties related to being based in and having significant operations in China, and therefore are subject to risks associated with doing business in China generally. Risks and uncertainties related to doing business in China could result in a material adverse change in our operations, significantly limit or completely hinder our ability to complete this offering or continue to offer securities to investors, and cause the value of such securities to significantly decline or become worthless. Such risks and uncertainties include, but not limited to, the following:

- Chinese government's significant authority to intervene or influence our operations at any time and to exert more control over offerings conducted overseas and/or foreign investment in China-based issuers. For details, see "Risk Factors — Risks Related to Doing Business in China — The PRC government has significant authority to exert influence on the China operations of an offshore holding company, and offerings conducted overseas and foreign investment in China-based issuers, such as us. Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business, results of operations, financial condition, and the value of our securities" on pages 60 and 61, "Risk Factors — Risks Related to Doing Business in China — Recent regulatory development in China may exert more oversight and control over listing and offerings that are conducted overseas. The approval of the CSRC may be required in connection with this offering and our future capital raising activities, and, if required, we cannot assure you that we or the affiliated entities will be able to obtain such approval, in which case we may face regulatory sanctions for failure to obtain such approval for this offering and our future capital raising activities" on pages 61, 62 and 63, and "Risk Factors — Risks Related to Doing Business in China — Recent greater oversight by the CAC over data security, particularly for companies seeking to list on a foreign exchange, could significantly limit or completely hinder our ability in capital raising activities and materially and adversely affect our business and the value of your investment" on page 63;
- the ADSs being delisted under the HFCAA if the PCAOB is unable to inspect auditors who are located in China. For details, see "Risk Factors — Risks Related to Doing Business in China — The ADSs will

be delisted and our shares and ADSs will be prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act if the PCAOB is unable to inspect or investigate completely auditors located in China for three consecutive years or, if proposed changes to the law are enacted, for two consecutive years. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment" on pages 63, 64 and 65;

- impact from PRC economic, political and social conditions, as well as changes in any government policies, laws and regulations. For details, see "Risk Factors — Risks Related to Doing Business in China — The PRC government has significant authority to exert influence on the China operations of an offshore holding company, and offerings conducted overseas and foreign investment in China-based issuers, such as us. Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business, results of operations, financial condition, and the value of our securities" on pages 60 and 61;
- uncertainties with respect to the PRC legal system, including such relating to the enforcement of rules and regulations in China and the risk that rules and regulations can change quickly with little advance notice. For details, see "Risk Factors — Risks Related to Doing Business in China — Uncertainties with respect to the PRC legal system could have a material adverse effect on our business, results of operations, financial condition and future prospects, and cause the ADSs to significantly decline in value or become worthless" on pages 66 and 67; and
- reliance on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have, and limitation on the ability of our WFOE to make payments to us. To the extent our cash or assets in the business are in mainland China or Hong Kong or a mainland China or Hong Kong entity, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of QuantaSing Group Limited, our subsidiaries or the affiliated entities to transfer cash or assets. While there are currently no such restrictions on foreign exchange and our ability to transfer cash or assets between QuantaSing Group Limited and our Hong Kong subsidiary, if certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong subsidiary in the future, and to the extent our cash or assets are in Hong Kong or a Hong Kong entity, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on our ability to transfer funds or assets by the PRC government. Furthermore, we cannot assure you that the PRC government will not intervene or impose restrictions on QuantaSing Group Limited, its subsidiaries and the affiliated entities to transfer or distribute cash within the organization, which could result in an inability of or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong. For details, see "Risk Factors — Risks Related to Doing Business in China — We rely on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have, and any limitation on the ability of our WFOE to make payments to us could have a material and adverse effect on our ability to conduct our business" on pages 68 and 69 and "Risk Factors — Risks Related to Doing Business in China — Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment" on pages 69 and 70.

Risks related to the ADSs and this offering

In addition to the risks described above, we are also subject to general risks relating to the ADSs and this offering, including, but not limited to, the following:

- an active trading market for our ordinary shares or the ADSs may not develop and the trading price of the ADSs is likely to be volatile;

- we are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements;
- we are a foreign private issuer within the meaning of the rules under the Exchange Act, and are exempt from certain provisions applicable to U.S. domestic public companies;
- substantial future sales or perceived potential sales of the ADSs in the public market could cause the price of the ADSs to decline;
- our dual-class share structure with different voting rights will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial;
- we will be a "controlled company" within the meaning of the Nasdaq Stock Market listing rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies; and
- the voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote your Class A ordinary shares.

Implications of Being a Company with the Holding Company Structure and the VIE Structure

The VIE structure and its associated risks

QuantaSing Group Limited is a Cayman Islands holding company with no substantive operations. We carry out our business through our WFOE and its contractual arrangements, commonly known as the VIE structure, with the VIE based in China and its nominee shareholder, due to the PRC regulatory restrictions on direct foreign investment in certain value-added telecommunication services and other internet related business. Investors in the ADSs are purchasing the equity securities of QuantaSing Group Limited, the Cayman Islands holding company, rather than the equity securities of the affiliated entities in which our operations are conducted.

The VIE structure was established through a series of agreements entered into between our WFOE, the VIE and its nominee shareholder, comprising a voting rights proxy agreement, an equity pledge agreement, an exclusive consultancy and service agreement and an exclusive option agreement. The contractual arrangements allow us to (1) be considered as the primary beneficiary of the VIE for accounting purposes and consolidate the financial results of the affiliated entities, (2) receive substantially all of the economic benefits of the affiliated entities, (3) have the pledge right over the equity interests in the VIE as the pledgee, and (4) have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law. For details, see "Corporate History and Structure."

However, neither QuantaSing Group Limited nor our WFOE owns any equity interests in the affiliated entities. Our contractual arrangements with the VIE and its nominee shareholder are not equivalent of an investment in the equity interest of the affiliated entities. Instead, as described above, we are regarded as the primary beneficiary of the VIE and consolidate the financial results of the affiliated entities under U.S. GAAP in light of the VIE structure.

The VIE structure involves unique risks to investors in the ADSs. It may be less effective than direct ownership in providing us with operational control over the VIE or its subsidiaries and we may incur substantial costs to enforce the terms of the arrangements. For instance, the VIE and its shareholder could breach their contractual arrangements with us by, among other things, failing to conduct the operations of the VIE in an acceptable manner or taking other actions that are detrimental to our interests. If we had direct ownership of the VIE in China, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the

management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIE and its shareholder of their obligations under the contracts to direct the VIE's activities. The shareholder of the VIE may not act in the best interests of our company or may not perform its obligations under these contracts. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system.

We may face challenges in enforcing the contractual arrangements due to jurisdictional and legal limitations. There are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIE and its nominee shareholder through our WFOE. As of the date of this prospectus, the agreements under the contractual arrangements among our WFOE, the VIE and its nominee shareholder have not been tested in a court of law. It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or, if adopted, what they would provide. If we or the VIE is found to be in violation of any existing or future PRC laws or regulations or fail to obtain or maintain any of the required licenses, permits, registrations or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. The PRC regulatory authorities could disallow the VIE structure at any time in the future. If the PRC government deems that our contractual arrangements with the VIE do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change or are interpreted differently in the future, we could be subject to severe penalties and may incur substantial costs to enforce the terms of the arrangements, or be forced to relinquish our interests in those operations. Our Cayman Islands holding company, our subsidiaries, the affiliated entities, and investors in our securities (including the ADS) face uncertainty with respect to potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of our company and the affiliated entities as a whole. For details, see "Risk Factors — Risks Related to Our Corporate Structure."

Revenues contributed by the affiliated entities accounted for substantially all of our total revenues in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022. For a condensed consolidation schedule depicting the results of operations, financial position and cash flows for us, our WFOE and the VIE, see "— Summary Consolidated Financial and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." For details of the permissions and licenses required for operating our business in China and the related limitations, see "— Regulatory Permissions and Licenses for Our Operations in China and This Offering" and "Risk Factors — Risks Related to Our Business and Industry — We may face risks and uncertainties with respect to the licensing requirement for our business. Any lack of or failure to maintain requisite approvals, licenses or permits applicable to us may have a material and adverse impact on our business, results of operations and financial condition."

Cash and asset flows through our organization

In light of our holding company structure and the VIE structure, our ability to pay dividends to the shareholders, including the investors in the ADSs, and to service any debt we may incur may highly depend upon dividends paid by our WFOE to us and service fees paid by the affiliated entities to our WFOE, despite that we may obtain financing at the holding company level through other methods. For instance, if any of our WFOE or the VIE incurs debt on its own behalf in the future, the instruments governing such debt may restrict its ability to pay dividends to us and the investors in the ADS as well as the ability to settle amounts owed under the contractual arrangements. As of the date of this prospectus, none of QuantaSing Group Limited, our WFOE and the VIE has paid any dividends or made any distributions to their respective shareholder(s), including any U.S. investors. In the fiscal years ended June 30, 2021 and 2022, the total amount of the service fees that the VIE paid to our WFOE under the contractual arrangements was RMB204.1 million and RMB239.6 million, respectively. For details, see

"— Summary Consolidated Financial and Operating Data — Financial Information Relating to the Affiliated Entities." We expect to continue to distribute earnings and settle the service fees owed under the VIE agreements at the request of our WFOE and based on our business needs, and do not expect to declare dividend in the foreseeable future. We currently have not maintained any cash management policies that specifically dictate how funds shall be transferred among QuantaSing Group Limited, the subsidiaries of QuantaSing Group Limited (including our WFOE), the affiliated entities and investors. We will determine the payment of dividends and fund transfer based on our specific business needs in accordance with the applicable laws and regulations.

Under PRC laws and regulations, our WFOE is permitted to pay dividends only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Furthermore, our WFOE and the affiliated entities are required to make appropriations to certain statutory reserve funds or may make appropriations to certain discretionary funds, which are not distributable as cash dividends except in the event of a solvent liquidation of the companies. Remittance of dividends by our WFOE out of China is also subject to certain procedures with the banks designated by the PRC State Administration of Foreign Exchange ("SAFE"). These restrictions are benchmarked against the paid-up capital and the statutory reserve funds of our WFOE and the net assets of the VIE in which we have no legal ownership. In addition, while there are currently no such restrictions on foreign exchange and our ability to transfer cash or assets between QuantaSing Group Limited and our Hong Kong subsidiary, if certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong subsidiary in the future, and to the extent our cash or assets are in Hong Kong or a Hong Kong entity, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on our ability to transfer funds or assets by the PRC government. Furthermore, we cannot assure you that the PRC government will not intervene or impose restrictions on QuantaSing Group Limited, its subsidiaries and the affiliated entities to transfer or distribute cash within the organization, which could result in an inability of or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong. For details, see "Risk Factors — Risks Related to Doing Business in China — We rely on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have, and any limitation on the ability of our WFOE to make payments to us could have a material and adverse effect on our ability to conduct our business," and "Risk Factors — Risks Related to Doing Business in China —Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment."

Under PRC laws and regulations, we, the Cayman Islands holding company, may fund our WFOE only through capital contributions or loans, and fund the affiliated entities only through loans, subject to satisfaction of applicable government registration and approval requirements. As of June 30, 2021 and 2022, and September 30, 2022, (1) the aggregate amount of capital contribution by EW Technology Limited to our subsidiaries in the BVI and Hong Kong was nil, RMB51.7 million and RMB51.7 million, respectively, which was presented in "net cash provided by transactions with related parties" of the "cash flows from financing activities" under the "Other subsidiaries" column in the condensed consolidating cash flows information; (2) the aggregate amount of capital contribution by QuantaSing Group Limited to our subsidiaries in the BVI and Hong Kong was nil, RMB47.1 million and RMB47.1 million, respectively, which was presented in "net cash used in transactions with intra-group companies" of the "cash flows from investing activities" under the "QuantaSing Group Limited" column, and in "net cash provided by transactions with intragroup companies" of the "cash flows from financing activities" under the "Other subsidiaries" column in the condensed consolidating cash flows information; (3) the aggregate amount of capital contribution by QuantaSing Group Limited to our WFOE through our subsidiaries in the BVI and Hong Kong was nil, RMB64.2 million and RMB64.2 million, respectively, which was presented in "net cash used in transactions with intra-group companies" of the "cash flows from investing activities" under the "Other subsidiaries" column, and was also included as a part of "net cash provided by transactions with intra-group companies" of the "cash flows from financing activities" under the "Primary beneficiary of the VIE" column in the condensed consolidating cash flows information; and (4) the outstanding balance of the principal

amount of loans by our WFOE to the VIE was RMB7.0 million, nil and nil, respectively, and was included in "amounts due to related parties" under "The VIE and its subsidiaries" column in the condensed consolidating balance sheet information, all of which were provided by Witty network's then wholly-owned PRC subsidiary and had been repaid before the completion of the restructuring and spin-off; and (5) the outstanding balance of the principal amount of loans by the VIE to our WFOE was nil, RMB156.0 million and RMB130.2 million, respectively, and was presented in "amounts due from intra-group companies" under "The VIE and its subsidiaries" column, and "amounts due to intra-group companies" under the "Primary beneficiary of the VIE" column in the condensed consolidating balance sheet information. For the fiscal year ended June 30, 2021 and 2022, and three months ended September 30, 2021, the net cash transferred by the VIE to our WFOE was nil, RMB156.0 million and RMB21.0 million, respectively, in addition to the service fees paid under the contractual arrangements. For the three months ended September 30, 2022, the net cash repaid by our WFOE to the VIE was RMB25.8 million. In the fiscal years ended June 30, 2021 and 2022, and the three months ended September 30, 2022, no assets other than cash were transferred within our organization. For details, see "— Summary Consolidated Financial and Operating Data — Financial Information Relating to the Affiliated Entities."

Under the Cayman Islands laws, QuantaSing Group Limited is not subject to tax on income or capital gains. Upon payments of dividends to our shareholders, no Cayman Islands withholding tax will be imposed. For purposes of illustration, the following discussion reflects the hypothetical taxes that might be required to be paid in mainland China and Hong Kong, assuming that: (1) we have taxable earnings in the VIE and (2) we determine to pay a dividend in the future:

	Tax calculation[1]
Hypothetical pre-tax earnings[2]	100.0%
Tax on earnings at statutory rate of 25%[3]	(25.0)%
Net earnings available for distribution	75.0%
Withholding tax at standard rate of 10%[4]	(7.5)%
Net distribution to shareholders	67.5%

(1) For purposes of this hypothetical example, the tax calculation has been simplified. The hypothetical book pre-tax earnings amount is assumed to equal PRC taxable income.

(2) For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.

(3) PRC Enterprise Income Tax Law and its implementation rules impose a withholding income tax of 10% on dividends distributed by a foreign invested enterprise in China to its immediate holding company outside China. A lower withholding income tax rate of 5% is applied if the foreign invested enterprise's immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China, subject to a qualification review at the time of the distribution. There is no incremental tax at Hong Kong level for any dividend distribution to QuantaSing Group Limited.

(4) If a 10% withholding income tax rate is imposed, the withholding tax will be 7.5% and the amount to be distributed as dividend at Hong Kong level and the net distribution to QuantaSing Group Limited will be 67.5%.

The table above has been prepared under the assumption that all profits of the VIE will be distributed as fees to our WFOE under tax neutral contractual arrangements. If, in the future, the accumulated earnings of the VIE exceed the service fees paid to our WFOE (or if the current and contemplated fee structure between the inter-group entities is determined to be non-substantive and disallowed by PRC tax authorities), the VIE could make a non-deductible transfer to our WFOE for the amounts of the stranded cash in the VIE. This would result in such transfer being non-deductible expenses for the VIE but still taxable income for our WFOE. Such a transfer and the related tax burdens would reduce our after-tax income to approximately 50.6% of the pre-tax income. Our management believes that there is only a remote possibility that this scenario would happen.

Dividend Distribution and Taxation

As of the date of this prospectus, none of QuantaSing Group Limited, our WFOE and the VIE has paid any dividends or made any distributions to their respective shareholder(s), including any U.S. investors, nor do we have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See "Dividend Policy" for details.

Subject to the "passive foreign investment company" rules, the gross amount of any distribution that we make to a U.S. Holder (as defined in "Taxation — United States Federal Income Taxation") with respect to the ADSs or Class A ordinary shares (including any amounts withheld to reflect PRC withholding taxes) will be taxable as a dividend for United States federal income tax purposes, to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. In addition, if we are considered a PRC tax resident enterprise for tax purposes, any dividends we pay to our overseas shareholders may be regarded as China-sourced income and as a result may be subject to PRC withholding tax. See "Taxation" for details.

Regulatory Permissions and Licenses for Our Operations in China and This Offering

We, through our WFOE and the affiliated entities, conduct our operations in China. Our operations in China are governed by PRC laws and regulations. We and the affiliated entities are required to obtain certain licenses, permits and approvals from relevant governmental authorities in China in order to operate our business and conduct this offering. As of the date of this prospectus, as advised by our PRC counsel, CM Law Firm, our WFOE and the affiliated entities have obtained the licenses, permits and registrations from the PRC government authorities necessary for our business operations in China, including, among others, the Value-added Telecommunications Business Operating License for internet information service, the Permit for Production and Operation of Radio and Television Programs, and the Publication Operation License, except for the License for Online Transmission of Audio-Visual Program for offering certain courses in live streaming or audio-visual contents. Given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by relevant government authorities, and the promulgation of new laws and regulations and amendment to the existing ones, we may be required to obtain additional licenses, permits, registrations, filings or approvals for our business operations in the future. For instance, we or the affiliated entities may be required to obtain the Online Publishing Service License for our online learning services. We cannot assure you that we or the affiliated entities will be able to obtain, in a timely manner or at all, or maintain such licenses, permits or approvals, and we or the affiliated entities may also inadvertently conclude that such permissions or approvals are not required. Any lack of or failure to maintain requisite approvals, licenses or permits applicable to us or the affiliated entities may have a material adverse impact on our business, results of operations, financial condition and prospects and cause the value of any securities we offer to significantly decline or become worthless. For details, see "Risk Factors — Risks Related to Our Business and Industry — We may face risks and uncertainties with respect to the licensing requirement for our business. Any lack of or failure to maintain requisite approvals, licenses or permits applicable to us may have a material and adverse impact on our business, results of operations and financial condition."

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (the "Cybersecurity Review Measures"), which became effective on February 15, 2022. See "Regulation — Regulations on Internet Information Security and Censorship." As a network platform operator who possesses personal information of more than one million users for purposes of the Cybersecurity Review Measures, we have applied for and completed a cybersecurity review for this offering and listing pursuant to the Cybersecurity Review Measures. The review was completed in August 2022. We have not received any material adverse findings in such review.

On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (the "Draft Rules Regarding Overseas Listing"). See "Regulation — Regulations on M&A and Overseas Listings." As of the date of this prospectus, as advised by our PRC counsel, CM Law Firm, considering that (1) the Draft Rules Regarding Overseas Listing has not come into effect; and (2) no explicit provision under currently effective PRC laws, regulations and rules clearly requires an offering with contractual arrangements like ours to obtain approvals from the CSRC, we or the affiliated entities are not required to obtain an approval from the CSRC in connection with this offering and listing.

Except as disclosed above, we or the affiliated entities have not been requested to obtain or denied any license or permission from any government authority in China in connection with the VIE's operations or this offering as of the date of this prospectus.

However, the PRC regulatory authorities, including the CSRC, may adopt new laws, rules and regulations, or detailed implementation and interpretation of the current applicable PRC laws, rules and regulations, and we cannot assure you that the relevant PRC regulatory authorities, including the CSRC, would reach the same conclusion as us or our PRC counsel. Furthermore, the PRC government has recently indicated an intent to exert more oversight and control over offerings that are conducted overseas by and foreign investment in China-based issuers. For instance, the Draft Rules Regarding Overseas Listing stipulates that the China-based companies, or the issuer, shall fulfill the filing procedures within three working days after the issuer makes an application for initial public offering and listing in an overseas market. In addition, an overseas offering and listing is prohibited under any of certain circumstances, including, among others, prohibition by national laws and regulations and relevant provisions, threatening to or endangering national security, material violation of laws by the company or its controllers or its directors, supervisors, or senior executives. If the Draft Rules Regarding Overseas Listing were to be implemented as proposed in its current form before this offering and listing is completed, we might be subject to the filing requirements with the CSRC for this offering and listing and might also be prohibited from completing this offering if any of the circumstances described in the Draft Rules Regarding Overseas Listing occurs. Moreover, as the Draft Rules Regarding Overseas Listing has not come into effect, there remains uncertainty in the final form and the interpretation and implementation of such overseas listing rules, and we cannot assure you that the relevant PRC government authorities, including the CSRC, would not promulgate new rules or new interpretation of current rules to require us or the affiliated entities to obtain CSRC or other PRC government approvals or complete other compliance procedures for this offering. We cannot assure you that we or the affiliated entities would be able to obtain such approvals or complete such other compliance procedures, to the extent that they may be subsequently required by the relevant regulatory authorities, in a timely manner, or at all, or that any completion of review or approval or other compliance procedures would not be rescinded, in which case we may face regulatory sanctions for failure to complete the requisite compliance procedures or obtain the requisite approvals for this offering. If any of such event occurs, it could significantly limit or completely hinder our ability to complete this offering or launch any new offering of our securities and could cause the value of our securities to significantly decline or become worthless. For details, see "Risk Factors — Risks Related to Doing business in China — Recent regulatory development in China may exert more oversight and control over listing and offerings that are conducted overseas. The approval of the CSRC may be required in connection with this offering and our future capital raising activities, and, if required, we cannot assure you that we or the affiliated entities will be able to obtain such approval, in which case we may face regulatory sanctions for failure to obtain such approval for this offering and our future capital raising activities" and "Risk Factors — Risks Related to Doing business in China — Recent greater oversight by the CAC over data security, particularly for companies seeking to list on a foreign exchange, could significantly limit or completely hinder our ability in capital raising activities and materially and adversely affect our business and the value of your investment."

The Holding Foreign Companies Accountable Act

The HFCAA was enacted on December 18, 2020. Pursuant to the HFCAA and related regulations, if we have filed an audit report issued by a registered public accounting firm that the PCAOB has determined that it is unable to inspect and investigate completely, the SEC will identify us as a "Commission-identified Issuer," and the trading of our securities on any U.S. national securities exchanges, as well as any over-the-counter trading in the United States, will be prohibited if we are identified as a Commission-identified Issuer for three consecutive years. There have been various initiatives to reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three to two years. On June 22, 2021, the U.S. Senate passed a bill known as the Accelerating Holding Foreign Companies Accountable Act to that effect, and on February 4, 2022, the United States House of Representatives passed a bill which contained, among others, an identical provision. If this provision is enacted into law and the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA is reduced from three to two years, then our shares and ADSs could be prohibited from trading in the United States. In August 2022, the PCAOB, the CSRC and the Ministry of Finance of the PRC signed the Statement of Protocol, which establishes a specific and accountable framework for the PCAOB to conduct inspections and investigations of PCAOB-governed accounting firms in mainland China and Hong Kong. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainties and depends on a number of factors out of our and our auditor's control. The PCAOB continues to demand complete access in mainland China and Hong Kong moving forward and is making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has also indicated that it will act immediately to consider the need to issue new determinations with the HFCAA if needed. If the PCAOB is unable to inspect and investigate completely registered public accounting firms located in China and we fail to retain another registered public accounting firm that the PCAOB is able to inspect and investigate completely in 2023 and beyond, or if we otherwise fail to meet the PCAOB's requirements, the ADSs will be delisted from the Nasdaq Stock Market, and our shares and ADSs will not be permitted for trading over the counter in the United States under the HFCAA and related regulations. The related risks and uncertainties could cause the value of the ADSs to significantly decline or become worthless. For details, see "Risk Factors — Risks Related to Doing Business in China — The ADSs will be delisted and our shares and ADSs will be prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act if the PCAOB is unable to inspect or investigate completely auditors located in China for three consecutive years or, if proposed changes to the law are enacted, for two consecutive years. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment."

Implications of Being an Emerging Growth Company

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, as amended (the "JOBS Act"). An emerging growth company may take advantage of specified reduced reporting and other requirements compared to those that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. Pursuant to the JOBS Act, we have elected to take advantage of the benefits of this

extended transition period for complying with new or revised accounting standards. As a result, our operating results and financial statements may not be comparable to the operating results and financial statements of other companies who have adopted the new or revised accounting standards.

We will remain an emerging growth company until the earliest of (1) the last day of the fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (2) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (3) the date on which we have, during the preceding three-year period, issued more than US$1.0 billion in non-convertible debt; or (4) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended (the "Exchange Act") which would occur if we have been a public company for at least 12 months and the market value of the ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act as discussed above.

Implications of Being a Controlled Company

We will be a "controlled company" as defined under the Nasdaq Stock Market Listing Rules because Mr. Peng Li, our founder, chairman and the chief executive officer, will hold % of our total issued and outstanding ordinary shares and will be able to exercise % of the total voting power of our issued and outstanding share capital upon the completion of this offering, assuming that the underwriters do not exercise their option to purchase additional ADSs, or % of our total issued and outstanding ordinary shares and % of the total voting power of our issued and outstanding share capital upon the completion of this offering, assuming that the underwriters exercise their option to purchase additional ADSs in full. As a result, Mr. Peng Li will have the ability to control or significantly influence the outcome of matters requiring approval by shareholders. For so long as we remain as a "controlled company," we are permitted to elect not to comply with certain corporate governance requirements, including an exemption from the rule that a majority of our board of directors must be independent directors. We do not currently plan to utilize the exemptions available for controlled companies after we complete this offering, but instead, we plan to rely on the exemption available for foreign private issuers to follow our home country governance practices. As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements. For details, see "Risk Factor — Risks Related to the ADSs and this Offering — We will be a "controlled company" within the meaning of the Nasdaq Stock Market listing rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies."

Implications of Being a Foreign Private Issuer

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers. Moreover, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. In addition, as a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the corporate governance standards of the Nasdaq Stock Market. We currently intend to follow Cayman Islands corporate governance practices in lieu of the corporate governance standards of the Nasdaq Stock Market that listed companies must: (1) have a majority of independent directors, (2) have a nominating/corporate governance committee composed entirely of independent directors, (3) have an audit committee composed of at least three members, (4) obtain shareholders' approval for issuance of securities in certain situations, and (5) hold annual shareholders' meetings. These practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance standards of the Nasdaq Stock Market.

Corporate Information

Our principal executive offices are located at Room 710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China. Our telephone number at this address is +86-10 6493-8177. Our registered office in the Cayman Islands is located at the Office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands. Our agent for service of process in the United States is Cogency Global Inc. at 122 East 42nd Street, 18th Floor, New York, NY 10168.

Investors should contact us for any inquiries through the address and telephone number of our principal executive office. Our main website is *www.liangzizhige.com*. The information contained on our website is not a part of this prospectus.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires, and for purposes of this prospectus only:

- "ADRs" refers to the American depositary receipts, which, if issued, evidence the ADSs;
- "ADSs" refers to the American depositary shares, each of which represents Class A ordinary shares;
- "affiliated entities" refers to Beijing Feierlai, the variable interest entity, and its subsidiaries, and, in the context of describing our consolidated financial information, refers to the respective variable interest entity and its subsidiaries in connection with our business at the relevant time before the completion of the restructuring and spin-off;
- "CAC" refers to the Cyberspace Administration of China;
- "CSRC" refers to the China Securities Regulatory Commission;
- "CAGR" refers to compound annual growth rate;
- "China" or the "PRC" refers to the People's Republic of China, and only in the context of describing the industry matters, including those derived from the F&S report, and the PRC laws, rules, regulations, regulatory authorities, and any PRC entities or citizens under such rules, laws and regulations and other legal or tax matters in this prospectus, excludes Taiwan, the Hong Kong Special Administrative Region and the Macau Special Administrative Region;
- "Class A ordinary shares" refers to our Class A ordinary shares, par value US$0.0001 per share, upon the completion of this offering;
- "Class B ordinary shares" refers to our Class B ordinary shares, par value US$0.0001 per share, upon the completion of this offering;
- "repeat purchase rate" illustrates our ability to generate gross billings from repeat purchases of our premium courses by our paying learners. To calculate this rate, we identify all paying learners who purchased our premium courses more than once on our platforms, then calculate the quotient from dividing (x) the gross billings attributable to purchases of our premium courses by such learners subsequent to the first-time purchase of our premium courses in a given period by (y) our total gross billings from such first-time purchase in the same period;
- "ordinary shares" refers to our Class A ordinary shares and Class B ordinary shares, par value US$0.0001 per share;
- "introductory course learners" refers to learners who enroll in our introductory courses and receive the introductory course-related services of our tutors. We calculate introductory course learners for each category (1) on a cumulated basis and (2) without counting duplicate enrollments by the same cell phone number or social media account;

- "Nasdaq Stock Market" refers to Nasdaq Stock Market LLC;
- "paying learners" refers to learners who enroll in our premium courses and receive such course-related services of our tutors. We calculate paying learners for each category without counting duplicate enrollments by the same cell phone number or social media account;
- "pre-offering Class A ordinary shares" refers to our Class A ordinary shares, par value US$0.0001 per share, as of the date of this prospectus, holders of each of which are entitled to one vote;
- "pre-offering Class B ordinary shares" refers to our Class B ordinary shares, par value of US$0.0001 per share, as of the date of this prospectus, holders of each of which are entitled to ten votes;
- "registered users" refers to users who register on our platforms. We calculate registered users for each category (1) on a cumulated basis and (2) without counting duplicate cellphone numbers or social media accounts;
- "Renminbi" or "RMB" refers to the legal currency of China;
- "shares" refers to our share capital, par value of US$0.0001 per share;
- "US$," "U.S. dollars" or "dollars" refers to the legal currency of the United States;
- "VIE" or "Beijing Feierlai" refers to Feierlai (Beijing) Technology Co., Ltd., the variable interest entity, and, "VIE," in the context of describing our consolidated financial information, refers to the respective variable interest entity in connection with our business at the relevant time before the completion of the restructuring and spin-off;
- "we," "us," "our company," "our," "QuantaSing," or "QuantaSing Group" refers to QuantaSing Group Limited, together as a group with its subsidiaries, and, in the context of describing the substantive operations and financial information relating to such operations of QuantaSing Group Limited and its subsidiaries and the affiliated entities as a whole, refers to QuantaSing Group Limited and its subsidiaries and the affiliated entities. Where the context requires, in respect of the period prior to our company becoming the holding company of its present subsidiaries, these terms also refer to such subsidiaries as if they were subsidiaries of our company at the relevant time; and
- "WFOE" or "Beijing Liangzizhige" refers to Beijing Liangzizhige Co., Ltd., our wholly-owned PRC subsidiary, and, "WFOE," in the context of describing our consolidated financial information, refers to our respective wholly-owned subsidiary in connection with our business at the relevant time before the completion of the restructuring and spin-off.

Unless specifically indicated otherwise or unless the context otherwise requires, all information in this prospectus assumes that the underwriters will not exercise their option to purchase additional ADSs.

We have made rounding adjustments to reach some of the figures included in this prospectus. Consequently, numerical figures shown as totals in some tables may not be arithmetic aggregations of the figures that precede them.

Our reporting currency is Renminbi. This prospectus contains translations from Renminbi to U.S. dollars solely for the convenience of the reader. Unless otherwise noted, all translations from Renminbi to U.S. dollars and vice versa in this prospectus are made as RMB7.1135 to US$1.0000, the exchange rate in effect as of September 30, 2022, as set forth in the H.10 statistical release of The Board of Governors of the Federal Reserve System. All translations from Renminbi to U.S. dollars and vice versa for the industry data extracted from the F&S report are made as RMB6.4566 to US$1.0000, the exchange rate in effect as of June 30, 2021, as set forth in the same source. We make no representation that any Renminbi or U.S. dollar amounts could have been, or could be, converted into U.S. dollars or Renminbi, as the case may be, at any particular rate, or at all.

THE OFFERING	
Offering price per ADS	We expect that the initial public offering price will be between US$ and US$ per ADS.
ADSs offered by us	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
ADSs outstanding immediately after this offering	ADSs (or ADSs if the underwriters exercise their option to purchase additional ADSs in full).
Ordinary shares to be issued and outstanding after this offering	ordinary shares, comprising Class A ordinary shares and Class B ordinary shares (or ordinary shares if the underwriters exercise their option to purchase additional ADSs in full, comprising Class A ordinary shares and Class B ordinary shares).
ADSs	Each ADS represents Class A ordinary shares, par value US$0.0001 per share. The depositary will hold the underlying Class A ordinary shares represented by your ADSs. You will have rights as provided in the deposit agreement among us, the depositary and holders and beneficial owners of ADSs from time to time. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. You may surrender your ADSs to the depositary in exchange for the underlying Class A ordinary shares, subject to the terms of the deposit agreement relating to the ADSs. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. You should carefully read “Description of American Depositary Shares” section in this prospectus to better understand the terms of the ADSs. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Ordinary shares	Following the completion of this offering, our issued and outstanding share capital will consist of Class A ordinary shares and Class B

	ordinary shares. In respect of all matters subject to a shareholder vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes, voting together as one class, on all matter subject to vote at general meetings of our company. Each Class B ordinary share is convertible into Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof to any person that is not Mr. Peng Li or his controlled entity, or upon a change of ultimate beneficial ownership of any Class B ordinary share to any person that is not Mr. Peng Li or a controlled entity of Mr. Peng Li, such Class B ordinary shares shall be automatically and immediately converted into the same number of Class A ordinary shares. In additional, all outstanding Class B ordinary shares will automatically convert into Class A ordinary shares upon the first to occur of (1) the death or incapacity of Mr. Peng Li; (2) the date that Mr. Peng Li is no longer employed as our chief executive officer for cause; (3) if Mr. Peng Li was not employed as our chief executive officer for at least five years following this offering, the date when he is no longer our chief executive officer; and (4) if Mr. Peng Li was employed as our chief executive officer for at least five years following this offering, the earlier of: (a) the date he ceases to be our chief executive officer and our director; and (b) if he continues to our director, the second anniversary after he ceases to be employed as our chief executive officer. For details, see "Description of Share Capital— Our Post-Offering Memorandum and Articles of Association." For a description of Class A ordinary shares and Class B ordinary shares, see "Description of Share Capital."
Option to purchase additional ADSs	We have granted the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of additional ADSs at the initial public offering price, less the underwriting discounts and commissions.
Use of proceeds	We expect that we will receive net proceeds of approximately US$ million from this offering or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, assuming an initial public offering price of US$ per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering for, among others, improving the learning experience of our learners and our content development capability, broadening our course offerings, advancing our technology infrastructures, enhancing our marketing and brand promotions, and general corporate purposes and working capital. See "Use of Proceeds" for more information.

Lock-up	[We, our directors, executive officers and existing shareholders have agreed with the underwriters, subject to certain exceptions, not to sell, transfer or otherwise dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus. In addition, we have agreed to , as depositary, not to accept any deposit of any ordinary shares or deliver any ADSs for 180 days after the date of this prospectus (other than in connection with this offering), unless we instruct the depositary with the prior written consent of the underwriters.] See "Shares Eligible for Future Sale" and "Underwriting" for more information.
[Directed ADS program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to an aggregate of ADSs offered in this offering to some of our directors, officers, employees, business associates and related persons through a directed ADS program.]
Listing	We have applied to have the ADSs listed on the Nasdaq Stock Market under the symbol "QSG." The ADSs and our ordinary shares will not be listed on any other stock exchange or traded on any automated quotation system.
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on .
Depository	Citibank, N.A.

The number of ordinary shares that will be issued and outstanding immediately after this offering:

- is based on 155,486,269 issued and outstanding ordinary shares (including 105,627,220 Class A ordinary shares and 49,859,049 Class B ordinary shares) as of the date of this prospectus, assuming the automatic conversion of all of our issued and outstanding preferred shares into Class A ordinary shares on a one-for-one basis immediately prior to the completion of this offering;
- includes Class A ordinary shares in the form of ADSs that we will issue and sell in this offering, assuming the underwriters do not exercise their option to purchase additional ADSs; and
- excludes 18,640,751 Class A ordinary shares issuable upon exercise of our outstanding options and Class A ordinary shares reserved for future issuances under our existing share incentive schemes.

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

Consolidated Financial Statements

The following summary consolidated statements of operations and comprehensive loss data for the fiscal years ended June 30, 2021 and 2022 (except the pro forma net loss, share and net loss per share information), summary consolidated balance sheets data as of June 30, 2021 and 2022 and summary consolidated statements of cash flows data for the fiscal years ended June 30, 2021 and 2022 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of operations and comprehensive loss data for the three months ended September 30, 2021 and 2022 (except the pro forma net loss, share and net loss per share information), summary consolidated balance sheet data as of September 30, 2022 and summary consolidated statements of cash flows data for the three months ended September 30, 2021 and 2022 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in the United States (the "U.S. GAAP"). Our historical results are not necessarily indicative of results expected for future periods. You should read this "Summary Consolidated Financial and Operating Data" section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" section included elsewhere in this prospectus.

The following table presents our summary consolidated statements of operations and comprehensive loss data for the periods indicated.

	For the fiscal year ended June 30,			For the three months ended September 30,		
	2021	2022		2021	2022	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for per share data)					
Revenues	**1,759,940**	**2,867,974**	**403,173**	**744,041**	**659,366**	**92,692**
Cost of revenues	(178,927)	(408,757)	(57,462)	(86,081)	(75,062)	(10,552)
Gross profit	**1,581,013**	**2,459,217**	**345,711**	**657,960**	**584,304**	**82,140**
Operating expenses:						
Sales and marketing expenses	(1,694,941)	(2,254,459)	(316,927)	(670,172)	(581,158)	(81,698)
Research and development expenses	(116,265)	(273,484)	(38,446)	(41,976)	(52,301)	(7,352)
General and administrative expenses	(100,341)	(166,650)	(23,427)	(30,328)	(44,390)	(6,240)
Total operating expenses	**(1,911,547)**	**(2,694,593)**	**(378,800)**	**(742,476)**	**(677,849)**	**(95,290)**
Loss from operations	(330,534)	(235,376)	(33,089)	(84,516)	(93,545)	(13,150)
Other incomes, net:						
Interest income	441	387	54	20	192	27
Others, net	15,093	19,913	2,799	6,027	6,450	907
Loss before income tax	**(315,000)**	**(215,076)**	**(30,236)**	**(78,469)**	**(86,903)**	**(12,216)**
Income tax expenses	(1,037)	(18,350)	(2,580)	542	(10,375)	(1,458)

	For the fiscal year ended June 30,			For the three months ended September 30,		
	2021	2022		2021	2022	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for per share data)					
Net loss	**(316,037)**	**(233,426)**	**(32,816)**	**(77,927)**	**(97,278)**	**(13,674)**
Other comprehensive income, net	—	1,839	259	204	2,126	299
Total comprehensive loss	**(316,037)**	**(231,587)**	**(32,557)**	**(77,723)**	**(95,152)**	**(13,375)**
Net loss per ordinary share						
- Basic	(12.89)	(5.26)	(0.74)	(1.79)	(1.96)	(0.28)
- Diluted	(12.89)	(5.26)	(0.74)	(1.79)	(1.96)	(0.28)
Pro-forma net loss attributable to ordinary shareholders of QuantaSing Group Limited[1]		**(233,426)**	**(32,816)**		**(97,278)**	**(13,674)**
Pro forma weighted average number of ordinary shares used in computing net loss per share, basic and diluted[1]		150,114,581	150,114,581		155,283,417	155,283,417
Pro forma net loss per share attributable to ordinary shareholders[1]						
- Basic		(1.55)	(0.22)		(0.63)	(0.09)
- Diluted		(1.55)	(0.22)		(0.63)	(0.09)
Non-GAAP financial measures[2]						
Gross billings of individual online learning services	2,045,203	2,758,236	387,747	804,359	664,927	93,474
Adjusted net (loss)/profit	(214,207)	58,003	8,152	(48,794)	(50,908)	(7,156)

(1) Pro-forma net loss attributable to holders of ordinary shares of QuantaSing Group Limited, pro forma weighted average number of ordinary shares used in computing net loss per share, basic and diluted, and pro forma net loss per share attributable to holders of ordinary shares are each presented, after giving effect to the assumption that all preferred shares have been converted into ordinary shares as of July 1, 2021, at the conversion ratio of one for one. See note 17 to our consolidated financial statements included elsewhere in this prospectus for an explanation and calculation of historical loss per share, basic and diluted.

(2) See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures.”

The following table presents our summary consolidated balance sheet data for the periods indicated.

	As of June 30,			As of September 30,	
	2021	2022		2022	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
ASSETS					
Current assets					
Cash and cash equivalents	25,101	266,427	37,454	450,236	63,293
Restricted cash	—	—	—	92	13
Short-term investments	29,629	132,632	18,645	6,090	856
Accounts receivable, net	99,127	1,937	272	3,870	544
Amounts due from related parties	2,448	47,394	6,663	24,933	3,505
Prepayments and other current assets	118,582	115,560	16,245	123,638	17,381
Total current assets	**274,887**	**563,950**	**79,279**	**608,859**	**85,592**
Non-current assets					
Property and equipment, net	4,749	5,169	727	4,445	625
Intangible assets, net	33,332	—	—	—	—
Operating lease right-of-use assets	9,344	23,917	3,362	20,599	2,896
Other non-current assets	7,914	10,430	1,466	10,048	1,413
Total non-current assets	**55,339**	**39,516**	**5,555**	**35,092**	**4,934**
TOTAL ASSETS	**330,226**	**603,466**	**84,834**	**643,951**	**90,526**
LIABILITIES					
Current liabilities					
Accounts payables	74,462	45,178	6,351	69,801	9,812
Accrued expenses and other current liabilities	68,895	108,592	15,266	131,719	18,517
Amounts due to related parties	19,546	—	—	—	—
Income tax payable	2,303	7,298	1,026	13,093	1,841
Contract liabilities, current portion	267,729	384,729	54,084	436,359	61,343
Advance from customers	133,201	151,089	21,240	143,125	20,120
Operating lease liabilities, current portion	7,128	16,331	2,296	15,464	2,174
Total current liabilities	**573,264**	**713,217**	**100,263**	**809,561**	**113,807**
Non-current liabilities					
Contract liabilities, non-current portion	26,358	8,869	1,247	4,587	645
Operating lease liabilities, non-current portion	1,942	6,566	923	3,771	530
Deferred tax liabilities	8,168	—	—	—	—
Total non-current liabilities	**36,468**	**15,435**	**2,170**	**8,358**	**1,175**
TOTAL LIABILITIES	**609,732**	**728,652**	**102,433**	**817,919**	**114,982**
MEZZANINE EQUITY					
Series A convertible redeemable preferred shares	—	82,002	11,528	82,002	11,528
Series B convertible redeemable preferred shares	—	94,833	13,331	94,833	13,331
Series B-1 convertible redeemable preferred shares	—	33,612	4,725	33,612	4,725
Series C convertible redeemable preferred shares	—	108,892	15,308	110,125	15,481
Series D convertible redeemable preferred shares	—	104,156	14,642	106,541	14,977
Series E convertible redeemable preferred shares	—	240,665	33,832	246,516	34,655
TOTAL MEZZANINE EQUITY	**—**	**664,160**	**93,366**	**673,629**	**94,697**
INVESTED DEFICIT / SHAREHOLDERS' DEFICIT					
Parent Company's investment deficit	(279,506)	—	—	—	—
Class A ordinary shares	—	3	—	3	—
Class B ordinary shares	—	29	4	34	5
Additional paid-in capital	—	69,934	9,832	106,830	15,018
Accumulated other comprehensive income	—	1,839	258	3,965	557
Accumulative deficit	—	(861,151)	(121,059)	(958,429)	(134,733)
TOTAL INVESTED DEFICIT / SHAREHOLDERS' DEFICIT	**(279,506)**	**(789,346)**	**(110,965)**	**(847,597)**	**(119,153)**
TOTAL LIABILITIES, MEZZANINE EQUITY AND INVESTED DEFICIT / SHAREHOLDERS' DEFICIT	**330,226**	**603,466**	**84,834**	**643,951**	**90,526**

The following table presents our summary consolidated statements of cash flows data for the periods indicated.

	For the fiscal year ended June 30,			For the three months ended September 30,	
	2021	2022		2022	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Net cash provided by operating activities	79,425	272,636	38,325	28,464	4,001
Net cash (used in)/provided by investing activities	(62,353)	(108,581)	(15,263)	153,311	21,552
Net cash (used in)/provided by financing activities	(21,093)	71,629	10,070	—	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	5,642	793	2,126	299
Net (decrease)/increase in cash and cash equivalents and restricted cash	(4,021)	241,326	33,925	183,901	25,852
Cash and cash equivalents and restricted cash at the beginning of the period	29,122	25,101	3,529	266,427	37,454
Cash and cash equivalents and restricted cash at the end of the period	25,101	266,427	37,454	450,328	63,306

Financial Information Relating to the Affiliated Entities

The following tables present the condensed consolidating schedules for QuantaSing Group Limited (including share-based compensation expenses pushed down by Witty network and EW Technology), our WFOE that is the primary beneficiary of the VIE under the U.S. GAAP (the "primary beneficiary of the VIE"), the VIE and its subsidiaries, and our other subsidiaries that are not the primary beneficiary of the VIE (i.e., our subsidiaries in the BVI and Hong Kong) for the periods and as of the dates indicated.

Condensed consolidating statements of operations information

	For the fiscal year ended June 30, 2022					
	QuantaSing Group Limited	Other subsidiaries	Primary beneficiary of the VIE	The VIE and its subsidiaries	Elimination	Consolidated
			(RMB in thousands)			
External revenues	—	—	756	2,867,218	—	**2,867,974**
Intra-group revenues[1]	—	—	230,281	—	(230,281)	**—**
Total revenues	**—**	**—**	**231,037**	**2,867,218**	**(230,281)**	**2,867,974**
External cost of revenues and operating expenses	(292,110)	(4)	(235,092)	(2,576,144)	—	**(3,103,350)**
Intra-group cost of revenues and operating expenses related to technical consulting and related service under VIE agreements[1]	—	—	—	(230,281)	230,281	**—**
Total cost of revenues and operating expenses	**(292,110)**	**(4)**	**(235,092)**	**(2,806,425)**	**230,281**	**(3,103,350)**
Share of (loss)/income from subsidiaries[2]	(4,028)	(4,101)	—	—	8,129	**—**
Income/(loss) of the VIE[2]	62,712	62,712	62,712	—	(188,136)	**—**
Other income/(loss)	—	77	(46)	20,269	—	**20,300**
(Loss)/income before income tax	**(233,426)**	**58,684**	**58,611**	**81,062**	**(180,007)**	**(215,076)**
Income tax expenses	—	—	—	(18,350)	—	**(18,350)**
Net (loss)/income	**(233,426)**	**58,684**	**58,611**	**62,712**	**(180,007)**	**(233,426)**

	For the fiscal year ended June 30, 2021					
	QuantaSing Group Limited	Other subsidiaries	Primary beneficiary of the VIE	The VIE and its subsidiaries	Elimination	Consolidated
	(RMB in thousands)					
External revenues	—	—	147	1,759,793	—	**1,759,940**
Intra-group revenues[1]	—	—	185,036	—	(185,036)	**—**
Total revenues	**—**	**—**	**185,183**	**1,759,793**	**(185,036)**	**1,759,940**
External cost of revenues and operating expenses	(101,830)	—	(174,198)	(1,814,446)	—	**(2,090,474)**
Intra-group cost of revenues and operating expenses related to technical consulting and related service under VIE agreements[1]	—	—	—	(185,036)	185,036	**—**
Total cost of revenues and operating expenses	**(101,830)**	**—**	**(174,198)**	**(1,999,482)**	**185,036**	**(2,090,474)**
Share of income/(loss) from subsidiaries[2]	10,835	10,835	—	—	(21,670)	**—**
(Loss)/income of the VIE[2]	(225,042)	(225,042)	(225,042)	—	675,126	**—**
Other (loss)/income	—	—	(150)	15,684	—	**15,534**
(Loss)/income before income tax	**(316,037)**	**(214,207)**	**(214,207)**	**(224,005)**	**653,456**	**(315,000)**
Income tax expenses	—	—	—	(1,037)	—	**(1,037)**
Net (loss)/income	**(316,037)**	**(214,207)**	**(214,207)**	**(225,042)**	**653,456**	**(316,037)**

Condensed consolidating balance sheets information

	As of June 30, 2022					
	QuantaSing Group Limited	Other subsidiaries	Primary beneficiary of the VIE	The VIE and its subsidiaries	Elimination	Consolidated
	(RMB in thousands)					
Cash and cash equivalents	18	40,279	142,681	83,449	—	**266,427**
Short-term investments	—	—	78,257	54,375	—	**132,632**
Accounts receivable, net	—	—	—	1,937	—	**1,937**
Amounts due from related parties	—	—	—	47,394	—	**47,394**
Amounts due from intra-group companies[3]	—	—	—	155,960	(155,960)	**—**
Prepayments and other current assets	—	—	3,770	111,790	—	**115,560**
Operating lease right-of-use assets	—	—	2,480	21,437	—	**23,917**
Property and equipment, net	—	—	1,500	3,669	—	**5,169**
Other non-current assets	—	—	818	9,612	—	**10,430**
Investment in subsidiaries	81,979	41,700	—	—	(123,679)	**—**
Total assets	**81,997**	**81,979**	**229,506**	**489,623**	**(279,639)**	**603,466**
Accounts payables	—	—	—	45,178	—	**45,178**
Accrued expenses and other current liabilities	630	—	30,346	77,616	—	**108,592**
Amounts due to intra-group companies[3]	—	—	155,960	—	(155,960)	**—**
Income tax payable	—	—	—	7,298	—	**7,298**
Contract liabilities	—	—	—	393,598	—	**393,598**
Advance from customers	—	—	—	151,089	—	**151,089**
Operating lease liabilities	—	—	1,500	21,397	—	**22,897**
Net liabilities of the VIE[2]	206,553	206,553	206,553	—	(619,659)	**—**
Total liabilities	**207,183**	**206,553**	**394,359**	**696,176**	**(775,619)**	**728,652**
Total mezzanine equity	**664,160**	**—**	**—**	**—**	**—**	**664,160**
Total shareholders' deficit	**(789,346)**	**(124,574)**	**(164,853)**	**(206,553)**	**495,980**	**(789,346)**

	As of June 30, 2021					
	QuantaSing Group Limited	Other subsidiaries	Primary beneficiary of the VIE	The VIE and its subsidiaries	Elimination	Consolidated
	(RMB in thousands)					
Cash and cash equivalents	—	—	375	24,726	—	**25,101**
Short-term investments	—	—	8,001	21,628	—	**29,629**
Accounts receivable, net	—	—	—	99,127	—	**99,127**
Amounts due from related parties	—	—	—	2,448	—	**2,448**
Amounts due from intra-group companies[3]	—	—	—	500	(500)	**—**
Prepayments and other current assets	—	—	3,359	115,223	—	**118,582**
Operating lease right-of-use assets	—	—	42	9,302	—	**9,344**
Property and equipment, net	—	—	1,446	3,303	—	**4,749**
Intangible assets, net	—	—	—	33,332	—	**33,332**
Other non-current assets	—	—	1,090	6,824	—	**7,914**
Total assets	**—**	**—**	**14,313**	**316,413**	**(500)**	**330,226**
Accounts payables	—	—	—	74,462	—	**74,462**
Accrued expenses and other current liabilities	—	—	17,130	51,765	—	**68,895**
Amounts due to related parties	—	—	12,546	7,000	—	**19,546**
Amounts due to intra-group companies[3]	—	—	500	—	(500)	**—**
Income tax payable	—	—	—	2,303	—	**2,303**
Contract liabilities	—	—	—	294,087	—	**294,087**
Advance from customers	—	—	—	133,201	—	**133,201**
Operating lease liabilities	—	—	37	9,033	—	**9,070**
Deferred tax liabilities	—	—	—	8,168	—	**8,168**
Deficit in subsidiaries[2]	15,900	15,900	—	—	(31,800)	**—**
Net liabilities of the VIE[2]	263,606	263,606	263,606	—	(790,818)	**—**
Total liabilities	**279,506**	**279,506**	**293,819**	**580,019**	**(823,118)**	**609,732**
Total invested deficit	**(279,506)**	**(279,506)**	**(279,506)**	**(263,606)**	**822,618**	**(279,506)**

Condensed consolidating cash flows information

	For the fiscal year ended June 30, 2022					
	QuantaSing Group Limited	Other subsidiaries	Primary beneficiary of the VIE	The VIE and its subsidiaries	Elimination	Consolidated
	(RMB in thousands)					
Cash flows from operating activities:						
Net cash (used in)/provided by transactions with external parties	(49)	85	(223,119)	495,719	—	**272,636**
Net cash provided by/(used in) transactions with intra-group companies related to technical consulting and related service under VIE agreements[1]	—	—	239,597	(239,597)	—	**—**
Net cash (used in)/provided by operating activities	**(49)**	**85**	**16,478**	**256,122**	**—**	**272,636**
Cash flows from investing activities:						
Net cash (used in)/provided by transactions with intra-group companies[4]	(47,116)	(64,236)	—	(155,960)	267,312	**—**
Net cash (used in)/provided by transactions with third-parties	—	—	(70,833)	(31,836)	—	**(102,669)**
Net cash (used in)/provided by transactions with related parties	—	—	—	(5,912)	—	**(5,912)**
Net cash (used in)/provided by investing activities	**(47,116)**	**(64,236)**	**(70,833)**	**(193,708)**	**267,312**	**(108,581)**
Cash flows from financing activities:						
Net cash provided by/(used in) transactions with intra-group companies[4]	—	47,116	220,196	—	(267,312)	**—**
Net cash provided by/(used in) transactions with related parties	47,183	51,686	(23,549)	(3,691)	—	**71,629**
Net cash provided by/(used in) financing activities	**47,183**	**98,802**	**196,647**	**(3,691)**	**(267,312)**	**71,629**
Effect of exchange rate changes	—	5,628	14	—	—	**5,642**
Net increase (decrease) in cash and cash equivalents	**18**	**40,279**	**142,306**	**58,723**	**—**	**241,326**
Cash and cash equivalents at the beginning of the year	—	—	375	24,726	—	**25,101**
Cash and cash equivalents and restricted cash at the end of the year	**18**	**40,279**	**142,681**	**83,449**	**—**	**266,427**

	For the fiscal year ended June 30, 2021					
	QuantaSing Group Limited	Other subsidiaries	Primary beneficiary of the VIE	The VIE and its subsidiaries	Elimination	Consolidated
	(RMB in thousands)					
Cash flows from operating activities:						
Net cash (used in)/provided by transactions with external parties	—	—	(174,449)	253,874	—	79,425
Net cash provided by/(used in) transactions with intra-group companies related to technical consulting and related service under VIE agreements(1)	—	—	204,121	(204,121)	—	—
Net cash provided by operating activities	**—**	**—**	**29,672**	**49,753**	**—**	**79,425**
Cash flows from investing activities:						
Net cash used in transactions with third parties	—	—	(9,471)	(53,384)	—	(62,855)
Net cash provided by/(used in) transactions with related parties	—	—	1,755	(1,253)	—	502
Net cash used in investing activities	**—**	**—**	**(7,716)**	**(54,637)**	**—**	**(62,353)**
Cash flows from financing activities:						
Net cash (used in)/provided by transactions with related parties	—	—	(21,581)	488	—	(21,093)
Net cash (used in)/provided by financing activities	**—**	**—**	**(21,581)**	**488**	**—**	**(21,093)**
Effect of exchange rate changes	—	—	—	—	—	—
Net increase/(decrease) in cash and cash equivalents	**—**	**—**	**375**	**(4,396)**	**—**	**(4,021)**
Cash and cash equivalents at the beginning of the year	—	—	—	29,122	—	29,122
Cash and cash equivalents at the end of the year	**—**	**—**	**375**	**24,726**	**—**	**25,101**

Notes to the condensed consolidating financial information:

(1) Represents the elimination of the intercompany technical consulting and related service charges under the contractual arrangements at the consolidation level. In the fiscal years ended June 30, 2021 and 2022, the total amount of the service fees that charged to the VIE by our WFOE under the relevant agreements was RMB185.0 million and RMB230.3 million, respectively. In the fiscal years ended June 30, 2021 and 2022, the total amount of the service fees that the VIE paid to our WFOE under the relevant agreements was RMB204.1 million and RMB239.6 million, respectively.

(2) Represents the elimination of the net consolidated balances among QuantaSing Group Limited, other subsidiaries, primary beneficiary of the VIE, and the VIE and its subsidiaries.

(3) Represents the elimination of intercompany balances among QuantaSing Group Limited, other subsidiaries, primary beneficiary of the VIE, and the VIE and its subsidiaries. The balances as of June 30, 2021 were related to intercompany prepayment and payables for the technical consulting and related service charges under the contractual arrangements. The balances as of June 30, 2022 were related to the intercompany loan of RMB156.0 million provided by the VIE to the primary beneficiary of the VIE for cash management purposes.

(4) Represents the elimination of intra-group investments and loans related cash activities among QuantaSing Group Limited, other subsidiaries, primary beneficiary of the VIE, and the VIE and its subsidiaries. During the fiscal year ended June 30, 2022, (i) QuantaSing Group Limited provided an aggregate of capital contribution of RMB47.1 million to other subsidiaries; (ii) other subsidiaries made a capital injection of RMB64.2 million to the primary beneficiary of the VIE; and (iii) and the VIE also provided an intercompany loan of RMB156.0 million to the primary beneficiary of the VIE for cash management purpose. These transactions were eliminated at the consolidation level.

Key Operating Metrics

The following table presents certain key operating data as of/for the periods indicated.

	As of June 30,		As of September 30, 2022	As of November 30, 2022
	2021	2022	(in millions)	
Registered users				
Financial literacy	17.0	50.4	56.3	59.7
Other personal interests	—	8.4	11.8	15.4
Total registered users	17.0	58.8	68.1	75.1
Introductory course learners[(1)]				
Financial literacy	11.9	24.0	26.6	28.3
Other personal interests	—	3.5	5.4	7.1
Total introductory course learners	11.9	27.5	32.0	35.4

	For the fiscal year ended June 30,		For the three months ended September 30, 2022	For the five months ended November 30, 2022
	2021	2022	(in millions, except for percentages)	
Paying learners				
Financial literacy	0.8	1.0	0.2	0.4
Other personal interests	—	0.1	0.1	0.1
Total paying learners	0.8	1.1	0.3	0.5
Repeat purchase rate	29.3%	49.5%	40.9%	41.1%

(1) We offer our introductory-level courses free of charges or, occasionally, for a nominal price, which was generally no more than RMB9.9 as of November 30, 2022.

RISK FACTORS

An investment in the ADSs involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in the ADSs. Any of the following risks could have a material adverse effect on our business, results of operations and financial condition. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, prospects, results of operations and financial condition, and our ability to pay dividends. In any such case, the market price of the ADSs could decline, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We have a limited history in providing adult personal interest learning services and have grown rapidly. Our historical operating and financial performance as well as growth rate, however, may not be indicative of our future performance. If we fail to manage our growth or implement our future business strategies effectively, the success of our business may be compromised.

We began to offer our financial literacy learning services in July 2019, which accounted for 88.8%, 80.2% and 71.0% of our total revenues in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022, respectively. In August 2021, we launched additional courses for other personal interests, which accounted for 6.8% and 17.7% of our total revenues in the fiscal year ended June 30, 2022 and the three months ended September 30, 2022, respectively. We are continuously initiating new course offerings to further diversify and expand our business in online adult learning market for personal interest courses. As such, our limited history under the current business model may not serve as an adequate basis for evaluating our prospect and future operating and financial results, including, among others, our revenue growth, operating cash flows, operating margins, conversion and repeat purchase rate. For instance, we have experienced significant growth in terms of the number of registered users and paying learners since the inception of our business. However, our progressive online course mode is relatively new and subject to many uncertainties, such as the attractiveness of the course mode, methods to project market demand, measurable industry standards, and monetization opportunities. The online adult learning market and the interests of the general public have also been evolving rapidly in recent years. We have encountered, and may continue to encounter, risks, challenges and uncertainties associated with operating an online adult learning market, such as expanding the learner base, increasing the number of paying learners and their spending, ensuring the effectiveness of our sales and marketing efforts, improving and expanding our offerings, addressing regulatory compliance and uncertainty, engaging and retaining high-quality staff, and building and managing reliable and secure IT systems and infrastructure. If we do not manage these risks successfully, our operating and financial results may suffer and differ materially from our historical performance and expectations.

If we are unable to continue to attract and retain learners, particularly paying learners, or increase their spending on our platforms, our business, results of operations, financial condition and future prospects will be materially and adversely affected.

We currently generate revenue primarily from the course fees paid by learners on our platforms. The success of our business depends heavily on the number of paying learners and the amount of fees that our learners are willing to pay, and the effectiveness of converting introductory course learners to paying learners over time. Our ability to continue to attract learners to attend and pay for our paid online courses and other offerings as well as to increase their spending on our platforms is critical to the continued success and growth of our business. If our learners do not purchase our premium courses or other paid services or products we may offer, our business, results of operations and financial condition may be materially and adversely affected.

Our ability to attract and retain learners in turn will depend on several factors particular to our learner engagement and retention capabilities, including, but not limited to, our ability to market our business and acquire new users and learners, the effectiveness of our progressive course made, the conversion of learners from

introducing courses into paying learners, our ability to maintain the quality of the learning experience, the level of engagement of our live lectures, and the performance and rigor of our instructors and tutors. It also depends on our ability to develop and enhance the quality of our course offerings and other paid offerings to meet the changes in the online adult learning market and the evolving learner demands. However, we may not always be able to meet our learners' expectations in terms of the quality and benefits of our offerings due to a variety of reasons, many of which are beyond our control. We may face learner dissatisfaction due to our learners' perceptions of our failure to help them enhance their knowledge, achieve their learning goals, and their overall dissatisfaction over our offerings, instructors and tutors. We may also face learners' reduced interest in financial literacy and other personal interest courses or other fields that our courses are designed for. In addition, we may also face other challenges such as (1) our ability to effectively market our offerings, enhance our brand awareness, and compete with comparable offerings; (2) negative publicity or perceptions regarding us or online learning services in general; (3) the emergence of alternative course modes; (4) increasing market competition, including price reductions by competitors that we are unable or unwilling to match; and (5) adverse changes in government policies or general economic conditions.

If one or more of these factors reduce the market demand for our offerings, especially our premium courses, our user base and, in particular, our paying learner base could be negatively affected, and the costs associated with customer acquisition and retention could increase. These developments could also harm our brand and reputation, which would negatively impact our ability to expand our business. If we are unable to continue to attract learners to pay for our courses and increase their spending on our course offerings, our revenue may decline and our growth prospects may be adversely affected. In addition, failure to maintain and increase our learner base could also affect our marketing services, which depends in part on the strength of our learner base. As a result, our business, results of operations and financial condition may be materially and adversely affected.

The interests and needs of the general public in the field of personal development is changing rapidly. If we fail to adapt and expand our course offerings to effectively and timely address the change of market demands, we may fail to maintain or increase our existing learner base or attract new learners and become less competitive.

Our course offerings primarily focus on courses relating to financial literacy and selected subjects on personal interests, such as short video production. Many of our learners attend and purchase our courses for personal interest and development needs such as personal wealth management, personal well-being and creative pursuits. Such needs may change from time to time due to various reasons, including, but not limited to, the shift of interests and trending topics. To attract new learners and increase revenue from existing learners, we need to continuously expand and adjust our course offerings to meet their evolving interests and needs. As such, our future growth and profitability depend in part on our ability to develop courses in response to our learners' interests and demands in new course subjects. However, we may not have adequate financial or technological resources to respond to such changes and develop content efficiently to satisfy the demands for these new course subjects. Our lack of familiarity with new course subjects may make it more difficult for us to keep pace with the evolving customer demands and preferences. If the learners are no longer interested in the topics covered by our current courses, or if we are unable to develop content that addresses learners' evolving needs or to enhance and improve our platforms in a timely manner, we may not be able to maintain or increase market acceptance of our platforms. In addition, there may be existing market leaders in the new course subjects that we intend to expand our courses into. These companies may compete more effectively than us by leveraging their deeper industry experience, stronger brand recognition, and greater funding on content development. If we fail to maintain adequate resources or compete effectively with our competitors, our business could be harmed. Furthermore, if we fail to comply with laws and regulations applicable to these new course offerings, our reputation, business, results of operations and financial condition may be adversely affected.

We have a limited operating history with service offerings to enterprise customers. We cannot assure you that our new business initiatives and monetization strategies will be successfully implemented.

We continue to expand our services and products to grow our business. In February 2020, we launched our marketing services to enterprise customers. In June 2022, we launched our enterprise talent management services. We have a limited track record or experience in generating revenue from such new initiatives, which may adversely affect our prospects and ability to compete with the existing market players in the relevant fields. The endeavors to offer new services, contents and products, which are usually costly and time-consuming, could disrupt our ongoing business, divert our management resources, and require us to make significant investments in establishing and maintaining cooperative relations, pursuing R&D projects, and furthering sales and marketing efforts, all of which may not be successful. We may also have to optimize our employee structure to adapt to the evolving market and business conditions, which may adversely affect our business, results of operations, financial condition and reputation. We cannot assure you that any of such new business initiatives will achieve market acceptance or generate sufficient revenues in a timely manner, or at all, to offset the costs and expenses incurred prior to their launch. We also cannot assure you that any such initiatives, will generate a desired level of profit or be compatible with our other offerings. If we are unsuccessful in the exploration of additional services due to financial constraints, failure to attract qualified personnel or other reasons, we may not be able to maintain or increase our revenue or recover any associated costs, expenses and expenditures, and our business, results of operations and financial condition could be adversely affected.

To seize the rising demands in oversea markets for online learning services, we are also exploring opportunities to expand into our service offering into overseas markets where we have limited experience in developing and operating overseas business. The investment and additional resources required to establish operations and manage growth in other countries may not produce desired levels of revenue or profitability, or at all. In addition, we may in the future introduce new services and products to further diversify our revenue streams, including services with which we have little or no prior operating experience. These activities may also require significant capital expenditures and investment of valuable management and financial resources, and our growth will continue to place significant demands on such resources. We cannot assure you that we will be able to effectively manage any future growth in an efficient, cost-effective and timely manner, or at all. If we do not effectively manage the growth of our new business and strategies, our business, results of operations and financial condition could be adversely affected.

We may face risks and uncertainties with respect to the licensing requirement for our business. Any lack of or failure to maintain requisite approvals, licenses or permits applicable to us may have a material and adverse impact on our business, results of operations and financial condition.

We are subject to government regulations for our operations in China. In particular, the online learning and live streaming business in China are highly regulated by the PRC government. As of the date of this prospectus, as advised by our PRC counsel, CM Law Firm, our WFOE and the affiliated entities have obtained the licenses, permits and registrations from the PRC government authorities necessary for our business operations in China, including, among others, the Value-added Telecommunications Business Operating License for internet information service (the "ICP License"), the Permit for Production and Operation of Radio and Television Programs, and the Publication Operation License, except for the License for Online Transmission of Audio-Visual Program (the "Audio-Visual License") for offering certain courses in live streaming or audio-visual contents.

According to relevant PRC laws and regulations, no entities or individuals may provide internet audio-visual program services, which include making and editing of audio-visual programs concerning educational content and broadcasting such content to the general public online, without the Audio-Visual License, issued by the State Administration of Press, Publication, Radio, Film and Television (the "SAPPRFT") (currently known as National Radio and Television Administration), or its local bureaus, and only state-owned or state-controlled entities are eligible to apply for an Audio-Visual License. See "Regulation — Regulations on Online Transmission of Audio-

Visual Programs." We have not obtained the Audio-Visual License for offering certain courses in live streaming format and video recordings of live streaming courses and certain other audio-video contents such as short, pre-recorded videos and audio podcasts through our platforms to our users. We are, however, not eligible to apply for such license since we are not a state-owned or state-controlled entity. As of the date of this prospectus, we have not been subject to any penalties imposed by, or any investigations initiated by, the relevant government authorities due to our provision of internet audio-visual contents through our platforms without any requisite license, but we may be subject to penalties, fines, legal sanctions or an order to suspend the provision of our relevant content in the future.

We cannot assure you that local PRC authorities will not adopt different enforcement practice or will not issue more explicit interpretation and rules or promulgate new laws and regulations from time to time to further regulate the online learning industry, which may subject us to additional licensing requirements. We may also be required to apply for and obtain additional licenses or permits for our operations in China as the interpretation and implementation of current PRC laws and regulations continue to evolve. We may be deemed to provide certain services or conduct certain activities and be subject to certain licenses, approvals, permits, registrations and filings due to the lack of official interpretations of the relevant terms under internet related PRC regulations and laws. For instance, due to the ambiguity of the definition of "online publishing service" under the PRC laws and regulations, the online distribution of content, including our audio-visual contents and other course materials, through our platforms, may be regarded as an "online publishing service" and, therefore, we or the affiliated entities may be required to obtain an Online Publishing Service License. Failure to obtain such licenses may subject us to fines, confiscation of relevant gains, suspension of the operations of our online platforms and other liabilities. As of the date of this prospectus, we have not been required by the relevant regulatory authorities to obtain such license, nor have we been subject to any penalties imposed by, or any investigations initiated by, the relevant government authorities for failure to obtain such license. However, we cannot assure that we or the affiliated entities will not be required to obtain such license or subject to penalties, fines, legal sanctions or an order to suspend the relevant services in the future.

The interpretation or implementation of existing laws and regulations are subject to changes from time to time, and the implementation of new laws and regulations is subject to uncertainties. If government authorities determine that our operations in China fall within the scope of business operations that require additional licenses, permits or approvals, we or the affiliated entities may not be able to obtain such licenses, permits or approvals in a timely manner or on commercially reasonable terms or at all, and failure to obtain such licenses, permits or approvals may subject us to fines, legal sanctions or an order to suspend our related operations. Moreover, we or the affiliated entities may fail to renew or update any of our existing licenses and permits in a timely manner and on commercially reasonable terms, or at all, which could materially and adversely affect our business, results of operations and financial condition. Government authorities may also from time to time issue new laws, rules and regulations and enhance enforcement of existing laws, rules and regulations, which could require us to obtain new and additional licenses, permits or approvals. Considerable uncertainties could exist with respect to the interpretation and implementation of existing and future laws and regulations governing our business activities. If we or the affiliated entities are not able to comply with the applicable legal requirements, we may be subject to fines, confiscation of the gains derived from non-compliant operations, or suspension of non-compliant operations, any of which may materially and adversely affect our business, results of operations and financial condition. Moreover, as we expand our business scope and explore different business initiatives, the business measures we have adopted or may adopt in the future may be challenged under PRC laws and regulations, and we or the affiliated entities may be required to apply for and obtain additional licenses, permits or approvals, make additional registrations, update our registrations or expand the scope of our permits and approvals. We cannot assure you that we or the affiliated entities will be able to meet these requirements in a timely manner, or at all.

Our business depends on the success of our brand, and if we fail to maintain and enhance our brand recognition, we may face difficulty in expanding our services and attracting users and learners, and in turn our reputation, business, results of operations and financial condition may be harmed.

We believe that market awareness of our brand has contributed, in part, to the success of our business. We currently operate our online learning services mainly under the brand of "*QiNiu*," "*JiangZhen*," and "*QianChi*." We rebranded *Qiniu* from *Kuaicai* in January 2021 and *Qianchi* from *Bancai* in June 2022. Maintaining and enhancing our brand is critical to our efforts to increase the market awareness of our services and attract users and learners, which are in turn critical to our business growth. Our ability to maintain and enhance brand recognition and reputation depends primarily on the continued marketing activities and the increasing recognition of our course offerings by the public. Negative publicity about us and our business, brands (including the legacy brands), shareholders, affiliates, directors, officers, instructors, tutors and other employees, and the industry in which we operate can harm our brand recognition and reputation. In recent years, we have devoted significant resources to our brand promotion efforts, hiring and training our teaching staff and improving our course offerings, but we cannot assure you that these efforts will continue to be successful. If we are unable to further enhance our brand recognition, or if our brand image is negatively impacted by any negative publicity, regardless of its veracity, we may not be able to expand our services or attract new learners successfully or efficiently, and our business, results of operations and financial condition may be materially and adversely affected.

We may be adversely affected by negative publicity concerning us or our business, brands, shareholders, affiliates, directors, officers, instructors, tutors and other employees, the industry in which we operate regardless of its accuracy.

Negative publicity about us and our business, brands (including the legacy brands), shareholders, affiliates, directors, officers, instructors, tutors and other employees, the industry in which we operate can harm our brand recognition and reputation. For instance, we have, from time to time, been subject to online complaints by alleged users or third parties claiming that our paid courses were overpriced and not useful, or claiming that the contents on our platforms and the description about our services are invalid and misleading, or against our current or legacy brands. We have also been subject to claims of fraudulent activities for the provision of our online learning services, which could harm consumer interests. Such negative publicity concerning the foregoing could be related to a wide variety of matters, including but not limited to:

- alleged misconduct or other improper activities committed by our instructors, tutors and other staff, including misrepresentation made by our employees to learners during sales and marketing activities, and other fraudulent activities to inflate or distort our offerings;
- false or malicious allegations or rumors about us or our instructors, tutors, directors, shareholders, affiliates, officers, and other staff;
- complaints by our learners about our sales and marketing activities;
- refund disputes of course fees between us and our learners or administrative penalties;
- breaches of confidentiality, in particular that of sensitive personal information;
- employment-related claims; and
- governmental and regulatory investigations or penalties resulting from our failure to comply with applicable laws and regulations.

In connection with our marketing services to enterprise customers, we are also subject to the risk that users and third parties may attribute any fraudulent and inappropriate contents from enterprise customers to us, and direct their claims and complaints against us, which will have a material adverse impact on our reputation and business.

In addition to traditional media, there has been an increasing use of social media and similar tools in China, including instant messaging applications, social media websites and other forms of internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability of information on instant messaging applications and social media is virtually

immediate, without affording us an opportunity for redress or correction. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information concerning us, our shareholders, affiliates, directors, officers, instructors, tutors and other staff, may be posted on such platforms at any time. The risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm our brand, reputation, business, results of operations and financial condition.

We face intensive industry competition. If we fail to compete effectively, it could divert learners to our competitors, lead to pricing pressure and loss of market shares, which could materially and adversely affect our business, results of operations and financial condition.

The online adult learning market in China is competitive, and we expect competition in this sector to persist and intensify. We face competition from other market participants in each part of our service offerings, including both individual online learning services and enterprise services. Some of our current or future competitors may have longer operating history, greater brand recognition, or greater financial, technical or marketing resources than we do. We compete with these industry participants across a range of dimensions, including, among others, high-quality instructors, technology infrastructure, data analytics capability, quality of services and learning experience, brand recognition, and scope of course offerings. Our competitors may adopt similar curriculums and marketing approaches, with different pricing and service packages that may have greater appeal than our offerings. In addition, some of our competitors may have more resources than we do and may be able to devote greater resources than we can to the development and promotion of their services. They may also respond more quickly than we can to the changes in learners' preferences, market needs or new technologies. Therefore, we may have to reduce course fees or increase spending in response to such competition, which may impair our business, results of operations and financial condition. If we are unable to successfully compete for learners, maintain or increase the level of course fees, attract and retain competent instructors or other key personnel, or maintain the quality of our online learning services in a cost-effective manner, we may lose market shares to our competitors and our profitability and future prospects may also be materially and adversely affected.

If we are not able to improve or maintain the efficiency of our customer acquisition efforts, our business, results of operations and financial condition may be materially and adversely affected.

Our business success and expansion depend significantly on our ability to continue to grow our learner base. Customer acquisition in the online adult learning market is a sophisticated process that requires substantial resources and careful planning. We acquire new learners primarily through certain limited marketing channels, including popular live streaming mobile apps and/or social media such as Douyin, Weixin and Kuaishou. The outcome of our customer acquisition efforts depends on a number of factors, such as the efficacy of our sales and marketing activities, the cost incurred in customer acquisition, the competitiveness of our course offerings, and external market forces, some of which may be beyond our control. We have incurred significant sales and marketing expenses historically and we expect such trend will continue. For the fiscal years ended June 30, 2021 and 2022, we incurred sales and marketing expenses of RMB1,694.9 million and RMB2,254.5 million (US$316.9 million), representing 96.3% and 78.6% of our total revenues during the same periods, respectively. For the three months ended September 30, 2021 and 2022, we incurred sales and marketing expenses of RMB670.2 million and RMB581.2 million (US$81.7 million), representing 90.1% and 88.1% of our total revenues during the same periods, respectively. Our sales and marketing expenses primarily comprise marketing and advertising fees paid to third-party online social media to attract new users and promote our brands, and we expect such expenditures to continue to account for a significant portion of the operating expenses in the future. As such, the cost-effectiveness of our sales and marketing depends heavily on our ability to enhance returns from such marketing channels. However, we cannot assure that such expenditures will bring the desired benefits to our business and generate sufficient revenues to offset the costs and expenses incurred in a timely manner or at all. In addition, we cannot assure you that our sales and marketing activities, including those through our marketing channels, will be effective to grow our user or learner base as we anticipate, which will materially and adversely affect our results of operations and future prospects. To the extent that we fail to leverage such channels, or if

there is any change, disruption or discontinuity in our marketing channels, our business, results of operations and financial condition may be materially and adversely affected.

In addition, the sales and marketing approaches, technologies and tools used in China's online adult learning market are evolving, which requires us to enhance our marketing and branding approaches and experiment with new methods and technology to keep pace with industry developments and learners' preferences. Failure to refine our existing sales and marketing approaches or to incorporate new approaches in a cost-effective manner may affect our revenue, operating margins and other financial indicators, as well as our market position and growth potentials.

Furthermore, our ability to enhance our customer acquisition efficiency also depends significantly on the effectiveness of our progressive course mode to attract users to our premium courses. Once we bring new users onto our platforms, we encourage them to attend our introductory courses, and subsequently, to enroll in our premium courses. Substantially all of our paying learners have previously attended our introductory courses. We cannot assure you that our progressive course mode will continue to enlarge our paying learner base as we anticipate. To the extent that we fail to maintain the effectiveness of such organic business mode in converting users to paying learners, our business, results of operations and financial conditions may be materially and adversely affected.

We may not be able to timely develop and enrich the contents of our course offerings to make them appealing to existing and prospective learners or in a cost-effective manner, or at all.

We continue to develop and enrich the contents of our course offerings to improve the learning experience and results. We proactively seek learner feedback and refer to market research to upgrade or enrich our course offerings, including improving the content and teaching methods for our existing courses and developing new contents. We develop, update and improve our course offerings and materials to stay abreast of learner feedback, market demand and new trends in course subjects, and we may, from time to time, adjust our course mix by ceasing the offering of outdated or unpopular courses and launching new courses. We cannot assure you, however, that the adjustments to our course mix will always be efficient or successful. We also rely in part on our intelligent tools for content development to generate insights on learners' perception of and response to our course offerings, which allows us to adjust our courses accordingly. However, the modifications, updates and expansions of our existing course content and the development of new course subjects may not be accepted by or attractive to existing or prospective learners. The degree of acceptance and adoption may also deviate from our projections. We may also fail to introduce or deliver our course content and learning materials as swiftly as learners expect or as fast as our competitors introduce their comparable content and materials. Furthermore, offering new content and materials or upgrading existing ones may incur significant costs and expenses, human capital, management attention and other resources, and we may be unable to generate the level of return as we expect or at all. Our new offerings may also compete with or otherwise fail to fit well with our existing ones. If we are unsuccessful or inefficient in developing and modifying our course offerings, the quality and appeal of our course offerings and the learning experience could be impaired, which may materially and adversely affect our reputation and performance.

We have a limited number of instructors and content development staff, and may rely on certain top-quality instructors and content development staff for our course offerings. If we fail to engage, train and retain such staff or a sufficient number of them, or if they underperform, the quality of our course offerings and our ability to attract prospective learners may be materially and adversely affected.

Our instructors and content development staff are critical to the attractiveness of our course offerings, the learning experience, our reputation and market recognition, and our ability to convert more registered users to paying learners. In addition, the caliber and performance of our instructors, whether actual or perceived, are crucial to the quality of our offerings and the learning experience. The number of qualified personnel in the online adult learning market is limited, and we must provide competitive compensation and attractive career

development opportunities to attract and retain them. We must also provide training and other support to our instructors and/or content development staff to ensure that they precisely capture the demand of learners and deliver course offerings effectively with consistent high quality. Furthermore, as we continue to develop new learning contents, we may need to engage additional instructors and/or content development staff with compatible skillsets.

However, we cannot guarantee that we will be able to provide the desired compensation, career paths and other opportunities to recruit, retain and support instructors or content development staff. Any of their departure may reduce the attractiveness of our course offerings, harm the course enrollments and result in temporary or prolonged disruptions to our operations. If our instructors and/or content development staff join our competitors, existing and potential learners may decide to follow and enroll in courses offered by our competitors, which may weaken our position in the market. In addition, we cannot assure you that our instructors can consistently deliver each session to meet our learners' expectations or our standards, or otherwise maintain or improve their credentials and overall performance in line with the evolving requirements of our course offerings. Furthermore, from time to time, our reliance on certain top-quality instructors may expose us to concentration risks. As a result, any shortage of high-quality instructors or any significant increase in the cost to retain high-quality instructors could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to price our courses and other services effectively.

Our results of operations are affected by the pricing of our courses and other services, especially our premium courses. We consider a number of factors in determining the prices of our courses, primarily including our course quality and service capabilities, as well as the macroeconomic environment. We believe our high-quality course offerings have allowed us to price our courses effectively. However, our ability to price our courses and other services effectively may be subject to a number of factors, such as the market demand of our existing and new offerings, the changes in macroeconomic factors, in particular the individual disposable income and consumer spending, and the pricing of our competitors, many of which could be beyond our control. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Results of Operations — Specific factors affecting results of operations — Ability to effectively price our courses." If we fail to price our courses and other services effectively, our business, results of operations and financial condition could be materially and adversely affected.

The success and future growth of our business will be affected by the acceptance and interests of individual learners in online learning services and the market trends in the integration of technology and such services.

We primarily operate at the intersection of the online learning and technology industries, and our business model features the integration of technology and online learning services to provide an engaging and immersive online learning experience. However, adult personal interest learning is a relatively new concept in China, and there are limited proven methods to project learners' demand or preference or available industry standards on which we can rely. The general public, many of whom are our potential learners, may not recognize and accept the concept of learning through digital platforms. They may also have concerns over the effectiveness of our platforms, considering our relatively new business model and the fragmented market landscape. Even with the proliferation of the internet and mobile devices in China, we believe that some of our target learners may still be inclined to choose traditional and face-to-face lessons and paper materials over pre-recorded videos, live streaming and online contents, as they could find the traditional method more reliable. As a result of the foregoing, the general public may not choose our platforms and may stay with traditional offline programs. If our offerings become less appealing to learners in the future, our business, results of operations and financial condition could be materially and adversely affected.

If we fail to maintain and expand our relationships with enterprise customers, our ability to grow our enterprise services and revenue may be materially and adversely affected.

We launched our marketing services to enterprises in February 2020. Furthermore, we began to provide enterprise talent management services in June 2022 and have been exploring new opportunities with enterprise technical and operational support services to enterprise customers. We believe that our future success depends, in part, on our ability to grow our service offerings to enterprises, both by retaining and expanding our relationship with existing customers and attracting new ones. Our revenues generated from enterprise services was RMB144.3 million, RMB185.5 million (US$26.1 million), RMB42.6 million and RMB73.6 (US$10.3 million) in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We have experienced significant growth in our enterprise services, but we cannot assure you that we will continue to achieve similar growth, or achieve any growth at all, in the future. Our ability to retain enterprise customers and expand our services to them may decline or fluctuate as a result of a number of factors, including enterprise customers' satisfaction with our services, the growth of our online learning services to individual learners, the quality and timeliness of our customer success and customer support services, our prices, and the prices and features of competing services. If customers do not purchase additional services or renew their existing services, renew on less favorable terms, or fail to continue to expand their engagement with us, our revenue may decline or grow less quickly than anticipated, which would harm our business, results of operations and financial condition.

We are subject to the complex and evolving PRC laws and regulations, many of which are subject to change and uncertain interpretation, and could result in claims, changes to business practices, monetary penalties, increased cost of operations, or declines in learner growth or engagement, or otherwise harm our business.

We are subject to a variety of laws and regulations that involve matters important to or may otherwise impact our business, including, among others, our service offerings, cybersecurity, data security, personal information protection, foreign exchange and taxation. The introduction of new products and services may also subject us to additional laws, regulations or other government scrutiny. Moreover, the PRC regulatory framework governing financial marketing services is involving, and new laws or regulations may be promulgated to impose new requirements or prohibitions that render our operations or services non-compliant. For instance, on December 31, 2021, the People's Bank of China, jointly with other six government authorities, issued the draft of Measures for Administration of Internet Marketing of Financial Products for public comments, to regulate, among others, financial institutions and internet platform marketing financial products. If such draft measures is enacted as proposed, our existing business model in our marketing services to enterprise customers may be materially and adversely affected and therefore be adjusted to comply with such amendments, and thus our business, results of operations and financial condition could be adversely affected.

These laws and regulations are continually evolving and may change significantly. As a result, the application, interpretation and enforcement of these laws and regulations are often uncertain, particularly in the rapidly evolving industry in which we operate. In addition, these laws and regulations may be interpreted and applied inconsistently by different agencies or authorities, and inconsistently with our current policies and practices. These laws and regulations may also be costly to comply with, and such compliance or any associated inquiries or investigations or any other government actions may delay or impede our development of new services and products; result in negative publicity and increase our operating costs; require significant management time and attention; and subject us to remedies, administrative penalties and even criminal liabilities that may harm our business, including fines assessed for the current or historical operations in China, or demands or orders that we modify or cease existing business practices.

The promulgation of new laws or regulations, or the new interpretation of existing laws and regulations, in each case that restrict or otherwise unfavorably impact the ability or manner in which we provide our services could require us to change certain aspects of our business to ensure compliance, which could decrease demand for our products and services, reduce revenues, increase costs, require us to obtain more licenses, permits,

approvals or certificates, or subject us to additional liabilities. To the extent any new or more stringent measures are required to be implemented, our business, results of operations and financial condition could be adversely affected.

We are subject to a variety of evolving laws and regulations regarding cybersecurity, data security and personal information protection. If the data security measures adopted by us underperform, or if we otherwise fail to protect data security and personal information as required by relevant laws and regulations or by our users, we may lose existing users, fail to attract new users, and be subject to liabilities and other negative consequences.

Maintaining data security and protecting personal information are critical to our business. We process a large amount of data and information in various aspects of our business, in particular certain personally identifiable information relating to our users. For instance, users generally provide their mobile phone number and/or social media account information used for user registration and mailing address and bank account information for receipt of our delivery and refund services. Such information is potentially vulnerable to cyber-attacks, computer viruses, physical or electronic break-ins or similar disruptions. We face risks inherent in handling large volumes of data and in protecting the security and privacy of such data. In addition, we are also subject to a variety of laws and regulations regarding cybersecurity, data security and personal information protection, including restrictions on the collection, storage and use of personal information and requirements to take steps to prevent personal data from being divulged, stolen or tampered with. To ensure the confidentiality and integrity of our data, we have implemented comprehensive and rigorous data security policies and measures to safeguard against unauthorized data access and disclosure to effectively address concerns related to privacy and data sharing. See “Business — Technology and Infrastructure — Data security and personal information protection.”

These policies and measures, however, may not be as effective as we anticipate. A party may nevertheless circumvent our security measures and disseminate or misappropriate proprietary and confidential information and jeopardize the confidential nature of such information. Any unauthorized or otherwise inappropriate disclosure or leakage of data, whether willful or accidental, may give rise to wrongful access, misuse or loss of our proprietary and confidential information or other records, which could disrupt our business and expose us to potential liabilities, costly litigations and negative publicity. If security measures are breached because of third-party action, employee error, malfeasance or otherwise, or if design flaws in our technology infrastructure are exposed and exploited, our relationships with users and business partners could be severely damaged, we could incur significant liability and our business and operations could be adversely affected. Furthermore, we have expanded our services to enterprise customers, including provision of enterprise talent management services, and have been exploring new opportunities with enterprise technical and operational support services. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our clients to lose trust in us and could expose us to legal claims. A security breach that leads to leakage of data and information of our users and/or customers could subject us to legal liabilities, regulatory sanctions, reputational damage and loss of user confidence. In addition, data breaches or any misconduct during the process of collection, analysis, and storage of data, could result in a violation of applicable PRC data privacy and protection laws and regulations, and subject us to regulatory actions, investigations or litigations. As of the date of this prospectus, we have not incurred any material actions, investigations or litigations relating to cybersecurity and personal information protection. However, we cannot guarantee that we will not encounter such incidents in the future. If any of such events occurs, we could incur significant costs in investigating and defending against them, and could be subject to negative publicity about our privacy and data protection practices, which may affect our reputation in the marketplace. Any potential risks related to our processing of data could require us to implement measures to reduce our exposure to liability, which may require us to expend substantial resources and limit the attractiveness of our services to learners. As a result, our business, results of operations and financial condition could be materially and adversely affected. Any of these issues could harm our reputation, adversely affect our ability to

attract prospective learners, reduce their willingness to pay, or subject us to third-party lawsuits, regulatory fines or other action or liability. Any reputational damage resulting from breach of our security measures could create distrust of our company by prospective learners or investors. We may be required to spend significant additional resources to protect us against the threat of security measures breaches or to alleviate problems caused by such disruptions or breaches. Any concerns or claims about our practices and compliance with regard to the processing of personal information or other privacy-related matters, even if ungrounded, could damage our reputation and results of operations.

The PRC regulatory framework for data security and personal information protection is rapidly evolving, and we could face challenges in our continued compliance with the heightened regulatory scrutiny.

The PRC regulatory framework for data security and personal information protection is rapidly evolving and is likely to remain uncertain for the foreseeable future. For instance, on June 10, 2021, the Standing Committee of the National People's Congress ("SCNPC") promulgated the PRC Data Security Law, which took effect on September 1, 2021. The PRC Data Security Law, among other things, requires data collection to be conducted in a legitimate and proper manner, and stipulates that, for the purpose of data security, data processing activities must be conducted based on data classification and hierarchical protection system. Furthermore, on July 7, 2022, the CAC promulgated the Security Assessment Measures for Outbound Data Transfer, effective from September 1, 2022, to regulate outbound data transfer activities, protect the rights and interests of personal information, safeguard national security and social public interests, and promote the cross-border security and free flow of data.

On August 20, 2021, the SCNPC passed the PRC Personal Information Protection Law (the "PIPL"), which took effect on November 1, 2021. The PIPL accentuates the importance of processors' obligations and responsibilities for personal information protection and sets out the basic rules for processing personal information and the rules for cross-border transfer of personal information. Pursuant to the PIPL, a personal information processor is allowed to process (including to collect, store, use, transmit, provide, disclose and delete) personal information only under certain circumstances, such as processing with consent from such individual, or for necessity of performance of a contract to which such individual is a contracting party or statutory duties, management of human resource under the labor rules and regulations developed in accordance with the law or a collective contract signed in accordance with the law, protection of public interest, or reasonable usage of legally disclosed information. Processing of sensitive personal information, such as the personal information that is likely to result in damage to personal dignity, personal or property safety once illegally disclosed, as well as the personal information of minors under the age of 14, is subject to higher regulatory requirements including specific purpose, sufficient necessity, duty of explanation to such individuals and consent from a parent or a guardian of such minors. See "Regulation — Regulations on Privacy Protection" for details. We do not foresee any material impediments for us to comply with the PIPL and other existing PRC laws and regulations on cybersecurity, data security and personal data protection in all material respects, based on the following reasons: as of the date of this prospectus, (1) we have implemented comprehensive cybersecurity and data protection policies, procedures and measures to safeguard personal information rights and ensure secured storage and transmission of data and prevent unauthorized access or use of data; (2) there has been no material leakage of data or personal information or violation of cybersecurity and data protection and privacy laws and regulations by us which will have a material adverse impact on our business operations; (3) we have not been subject to any material fines or administrative penalties, mandatory rectifications, or other sanctions by any competent regulatory authorities in relation to the infringement of cybersecurity and data protection laws and regulations; (4) there has been no material cybersecurity and data protection incidents or infringement upon the rights of any third parties, or other legal proceedings, administrative or governmental proceedings, pending or, to the best of the knowledge of our company, threatened against or relating to our company; and (5) we have not been involved in any investigations on cybersecurity review initiated by the CAC on such basis and have not received any inquiry, notice, warning or sanctions in this respect.

We cannot assure you that our existing data security and personal information protection system and technical measures will always be considered sufficient under applicable laws, regulations and other privacy

standards, or that we will comply with the applicable laws and regulation in all respects. If relevant government authorities interpret or implement these and other laws or regulations in ways that may negatively affect us, our current practice of collecting and processing data and personal information may be ordered to be rectified or terminated by regulatory authorities. We may also become subject to fines and other penalties which may have material adverse effect on our business, results of operations and financial condition. We could be adversely affected if PRC legislation or regulations require changes in business practices or privacy policies, or if the relevant PRC government authorities interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations and financial condition.

Refunds or potential refund disputes of our course fees may negatively affect our reputation, results of operations, cash flows and financial condition.

For our financial literacy courses, we generally offer paying learners for premium courses a full and unconditional refund within the first three months after their payment and before they unlock the courses. For details of our refund policy and revenue recognition, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Components of Results of Operations — Revenues." For the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, we made refund payments of RMB137.4 million, RMB249.7 million (US$35.1 million), RMB73.9 million and RMB61.9 million (US$8.7 million), respectively, most of which were made pursuant to our tuition refund policy. The number of refund requests and the amount of refunds could be affected by a number of factors, many of which are beyond our control. For instance, paying learners may request refund due to reasons including but not limited to their dissatisfaction with our offerings, privacy concerns, accuracy of advertising contents regarding us, negative publicity regarding us or the industry in general, and any change or development in related PRC laws and regulations. Furthermore, our paying learners may disagree with us over the terms of our refund policies, the interpretation of relevant clauses, and the resolution of refund-related issues. Any refund payments that we may be required to make to our learners, as well as the expenses and resources involved for processing refunds and resolving refund disputes, could be substantial and could adversely affect our business operations and financial condition. A high volume of refunds and refund disputes may also generate negative publicity that could harm our reputation, brand image and market position. We have experienced in the past, and may experience in the future, negative publicity in relation to refund disputes between us and our learners, which may significantly harm our brand name and divert our attention from operating our business.

We may be subject to liability claims for any inappropriate or illegal content in our course offerings and on our platforms, which could cause us to incur legal costs and suffer reputational damage and harm our future business prospects.

The PRC government and regulatory authorities have adopted regulations governing illegal content and information over the internet. Under these regulations, internet content providers are prohibited from posting or displaying over the internet content that, among other things, violates PRC laws and regulations, impairs the national dignity of China or the public interest, propagates superstition, insults others, or is obscene or violent. Internet content providers are also prohibited from displaying content that may be deemed by relevant government authorities as socially destabilizing or leaking state secrets of China. The PRC government and regulatory authorities strengthen the regulation on internet content from time to time. For instance, the Circular of the SAPPRFT on Issues Concerning Strengthening the Administration of Online Live Streaming of Audio-Visual Programs requires online audio-visual live streaming service providers to monitor the living streaming content, and to have an established emergency reaction plan to replace content that violates PRC laws and regulations.

We implement strict monitoring procedures to remove inappropriate or illegal content in our courses and on our platforms. However, we cannot assure you that there will be no inappropriate or illegal materials included in our courses and learning materials and on our platforms. Therefore, we may face civil, administrative or criminal liability if an individual or corporate, governmental or other entity believes that the contents in our course

offerings or on our platforms violates any laws, regulations or governmental policies or infringes their legal rights. Even if such a claim were not successful, defending such a claim may cause us to incur substantial costs. Moreover, any accusation of inappropriate or illegal content in our content offerings and on our platforms could lead to significant negative publicity, which could harm our reputation and future business prospects.

Our reputation and business may be adversely affected by the misconduct and improper activities by our learners, teaching staff, other employees, enterprise customers and other stakeholders.

We could be liable for actions taken by misconduct and improper activities by our learners, teaching staff, other employees, enterprise customers and other stakeholders. For instance, we allow instructors to engage in real-time communication with our learners. Our courses undergo internal review and pilot testing before being broadcasted. We also monitor our live courses, chat messages and other content of our courses to ensure that we are able to identify content that may be deemed inappropriate or violation of laws, regulations and government policies. When any inappropriate or illegal content is identified, we will promptly remove such content. We have also adopted a set of intelligent tools to reduce the chance that such illegal or inappropriate content might appear on our platforms. However, since we have limited control over the real-time and offline behavior of our instructors, tutors, learners, as well as their behaviors outside our platforms, to the extent any improper behavior is associated with our platforms, our ability to protect our brand image and reputation may be limited.

In addition, if any of our learners and potential learners associated with our platforms or business suffer or allege to have suffered financial or other harm following the services and products provided or contact initiated on our platforms, we may face civil lawsuits or other liability claims initiated by the affected person or governmental or regulatory authorities. In response to allegations of illegal or inappropriate activities conducted on our platforms or any negative media coverage about us, PRC government authorities may intervene and hold us liable for non-compliance with PRC laws and regulations concerning the dissemination of information on the internet and subject us to administrative penalties or other sanctions, such as requiring us to restrict or discontinue some of the features and services provided on our platforms. As a result, our brand image and learner base may suffer, and our business, results of operations and financial condition may be materially and adversely affected.

We are also exposed to the risks associated with our marketing services such as fraud or other misconduct of our enterprise customers, other stakeholders and other persons relating to our platforms. For instance, the enterprises that we serve may be subject to regulatory penalties because of their regulatory compliance failures, which may, directly or indirectly, disrupt our business. The legal liabilities and regulatory actions on our enterprise customers or other third parties involved in our business may affect our business activities and reputation and in turn, our results of operations. Other types of misconduct also include intentionally failing to comply with government regulations, engaging in unauthorized activities and misrepresentation to our prospective learners during marketing activities, which could harm our reputation. It is not always possible to deter such misconduct, and the precautions we take to prevent and detect this activity may not be effective in controlling unknown or unmanaged risks or losses, which could harm our business, results of operations and financial condition.

The marketing and promotion content on or relating to our platforms may subject us to penalties and other administrative actions or liabilities.

Under PRC advertising laws and regulations, we are obligated to monitor the marketing and promotion contents on our platforms to ensure that such content is true and accurate and in full compliance with applicable laws and regulations. Furthermore, the PRC Anti-Unfair Competition Law prohibits business operators from making false or misleading commercial promotions regarding its performance, functions, quality, sales, user feedback or accolades, to defraud or mislead customers. Violation of these laws and regulations may subject us to penalties, including fines, confiscation of the related income, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. We have been and

could, from time to time in the future continue to be, subject to such penalties and fines. For instance, Beijing Feierlai historically received certain administrative penalties of warning and fines for making false and misleading promotion of its instructors and the effectiveness and benefits of its financial literacy course offerings. Moreover, in circumstances involving serious violations by us, PRC government authorities may force us to terminate our marketing or promotion-related operations or revoke our licenses. See "Regulation — Regulations on Advertisement."

While we have made significant efforts to ensure that the marketing and promotion materials on our platforms are in full compliance with applicable PRC laws and regulations, we cannot assure you that all the content contained in such materials will always comply with the relevant advertising laws and regulations, especially given the uncertainty in the interpretation of these PRC laws and regulations. For instance, we cannot guarantee that all descriptions of our online courses on our mobile apps and other social medial platforms are precise representations of the underlying services that we offer to our learners. In addition, we may fail to consistently and/or clearly present our contents and offerings as advertisements, where applicable, as required by the relevant laws and regulations. Moreover, in connection with our marketing services for enterprises, although we generally require our enterprise customers to be responsible for the legality, authenticity and appropriateness of those materials and have little control over the activities and procedures of such enterprise customers to create and modify these materials, we are nevertheless obliged to refuse to display such materials on our platform if we know or should know those materials are not in compliance with PRC law and regulations. If we are found to be in violation of applicable PRC laws and regulations, we may be subject to penalties and our reputation may be harmed, which may negatively affect our business, results of operations and financial condition.

We have been and may continue to be subject to litigations, allegations, complaints, investigations and penalties from time to time, which may adversely affect our business, results of operations and financial condition.

We have been and may continue to be involved in legal and other disputes, including labor disputes, customer complaints in relation to our refund policy, course advertisements, unfair competition and other dissatisfactions, contractual disputes, and administrative penalties in the ordinary course of our business operations. We have encountered and may also, in the future, encounter, disputes from time to time over rights and obligations concerning intellectual property rights and allegations against us for potential infringement of third party's intellectual property rights, and we may not prevail in those disputes. Any claims against us, with or without merit, could be time consuming and costly to defend or litigate, divert our management's attention and resources, or harm our brand equity. If a legal or administrative proceeding against us is successful, we may be required to pay substantial damages or fines and/or enter into agreements that may not be based upon commercially reasonable terms, or we may be unable to enter into such agreements at all. We may also lose, or be limited in, the rights to offer some of our content, products and services or be required to make changes to our content offerings or business model. As a result, the scope of our content, product and service offerings could be reduced, which could adversely affect our ability to attract new learners, harm our reputation and have a material adverse effect on our business, results of operations and financial condition.

We have incurred cumulative net loss and have net current liabilities and total deficit in the past, and may not achieve or profitability in the future.

We have incurred cumulative net loss in the past. We generated net loss of RMB316.0 million, RMB233.4 million (US$32.8 million), RMB77.9 million and RMB97.3 million (US$13.7 million) in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We had net current liabilities of RMB200.7 million (US$28.2 million) and total shareholders' deficit of RMB847.6 million (US$119.2 million) as of September 30, 2022, primarily relating to our operating expenses. We cannot assure you that we will be able to generate net profits or positive cash flow from operating activities in the future. Our ability to achieve and maintain profitability will depend in large part on our ability to maintain or increase our operating margin, either by growing our revenues at a rate faster than our costs and operating

expenses increase, or by reducing our costs and operating expenses as a percentage of our revenues. Accordingly, we intend to continue to invest to attract new learners, hire high-quality instructors and tutors, and strengthen our technologies and data analytics capability to enhance learner experience. Our ability to achieve and maintain profitability will depend on the success of our existing and new service offerings, including our newly launched new course offerings and enterprise talent management services, which may result in a large amount of upfront investment, costs and expenses. As a result of the foregoing, we may not be able to achieve profitable or increase our profitability in the future.

Changes in our service offering mix may affect our results of operations.

Our results of operations have been, and are expected to continue to be, affected by changes in service offering mix. Our profit margins vary across different business lines, such as our online learning services and enterprise services. Our course fees also vary among different courses, such as between financial literacy courses and other personal interest courses, and between introductory courses and premium courses. We also adopt different revenue recognition and accounting treatment policies for our individual online learning services, and enterprise services. For our online courses, we typically collect our course fees in full upon course enrollment which are recognized over the longer of the corresponding contractual service period of the course and an estimated average learning time of the paying learners. For our marketing services to enterprises, we generally calculate and collect service fees based on the quality and quantity of the leads generated and/or amount of services offered. The revenue contribution of other personal interest courses and enterprise services to our total revenues is increasing, which affected, and may continue to affect, our overall profit margin and results of operations. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Factors Affecting Results of Operations — Specific factors affecting results of operations — Change in service offering mix.” We also began to provide enterprise talent management services and enterprise technical and operational support services to enterprise customers in June 2022. The different nature of such service offerings may further affect the overall profit margin and cost structure. Any future change in our service offering mix could subject our results of operations and financial condition to substantial uncertainties.

China’s online adult learning market, including the online adult learning market for personal interest courses, has been evolving rapidly. If we are unable to anticipate and adapt to industry trends in time, our business and prospects may be materially and adversely affected.

The online adult learning market in China, including the online adult learning market for personal interest courses, is constantly evolving. Our limited history as an online learning service provider may not serve as an adequate basis for evaluating our future prospect and results of operations, including our revenue, cash flows and profitability. We have encountered, and may continue to encounter in the future, risks, challenges and uncertainties associated with operating an internet-based business, such as building and managing reliable and secure IT systems and infrastructure, addressing regulatory compliance and uncertainty, and hiring and training IT support staff, all of which we have limited experience with. In addition, we may face additional risks and challenges associated with responding to evolving industry trends, standards and new developments, including new technologies and applications made possible by the increasing mobile penetration in China. If we do not rise up to the challenges successfully, our business may suffer and our operating and financial results may differ materially from our expectations.

Any global systemic economic and financial crisis could negatively affect our business, results of operations and financial condition.

Any prolonged slowdown in the Chinese or global economy may have a negative impact on our business, results of operations and financial condition. For instance, the global financial markets have experienced significant disruptions since 2008 and the United States, Europe and other economies have experienced periods of recession. The recovery from the lows of 2008 and 2009 has been uneven and there are new challenges, including the escalation of the European sovereign debt crisis from 2011 and the slowdown of Chinese economic

growth since 2012, which may continue. The market panics over the global outbreak of coronavirus COVID-19 and the drop in oil price have materially and negatively affected the global financial markets in March 2020, which may cause a potential slowdown of the world's economy. There have also been concerns over unrest in Ukraine, the Middle East and Africa, which have resulted in volatility in financial and other markets, concerns over the significant potential changes to United States trade policies, treaties and tariffs, including trade policies and tariffs regarding China, concerns about the economic effect of the tensions in the relationship between China and surrounding Asian countries, and concerns over the rising level of inflation and worries that efforts to curb inflation may result in recession. For instance, if the inflation intensifies in China, we may have to increase the price level of our courses and enterprise services while our costs and operating expenses may also increase in the mean time. In that case, our profit margin will depend on our ability to pass on the additional costs and operating expenses to our customers. In addition, a rising inflation level will also have a negative impact on the willingness and ability of learners and enterprises to pay for our offerings, which will in turn reduce the demand of our offerings and negatively affect our results of operations and financial condition. There were and could be in the future a number of domino effects from such turmoil on our business, including decreased interests in personal financing and wealth management, changes in consumption and investment behaviors, and lower willingness to pay for our courses.

Our business, results of operations and financial condition have been and may continue to be affected by the COVID-19 pandemic.

COVID-19 has significantly affected China and many other countries. Since early 2020, the PRC government has imposed various measures to keep COVID-19 in check, including quarantine arrangements, travel restrictions, and stay-at-home orders from time to time. Such restrictions have adversely affected our operations, as it has caused inconvenience to our day-to-day operating activities. We have taken measures to minimize the impact of COVID-19 on our operations, including transitioning our employees to remote work and providing instructors with devices to facilitate remote course delivery during the pandemic. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Effects of COVID-19 Pandemic" for details of the impact of the COVID-19 pandemic on our business operations and the measures we have taken in response to the pandemic.

The COVID-19 pandemic has broadly affected China's online adult learning market and the macroeconomy. Our results of operations and financial performance have been and may continue to be adversely affected, to the extent that COVID-19 exerts long-term negative impact on the Chinese economy. Historically, the COVID-19 pandemic contributed to the growth of China's online adult learning market, and in turn, our business growth. However, we are not able to quantify the proportion of the increase in revenue that is attributable to the COVID-19 pandemic as opposed to other factors contributing to our growth in the same periods. Furthermore, the circumstances that have driven our business growth during the COVID-19 pandemic may not persist in the future. Many of the restrictive measures previously adopted by the PRC governments at various levels to control the spread of the COVID-19 virus have been revoked or replaced with more flexible measures since December 2022. While the revocation or replacement of the restrictive measures to contain the COVID-19 pandemic could have a positive impact on our normal operations, it may also shift the public's focus to offline activities and reduce their interest in online learning. Moreover, there has recently been and may continue to be an increase in COVID-19 cases in China, and as a result, we experienced temporary disruption to our operations where many employees were infected with COVID-19 in December 2022. To the extent that future waves of COVID-19 disrupt normal business operations in China, we may face operational challenges with our services, and we likely will have to adopt similar remote work arrangements and other measures to minimize such impact. Moreover, any decline in the individual disposable income and learners' willingness to spend on personal development opportunities due to a worsening economic performance and outlook as a result of the COVID-19 pandemic may also lessen demands for our services or put price pressure on our services. In addition, as we have expanded into more enterprise services, including enterprise talent management services, the demand from enterprise customers may also stagnate if they encounter operational and financial difficulties as a result of the COVID-19 pandemic. The duration and extent of impact of such business disruptions, lower

demands or price pressure on our results of operations and financial performance cannot be reasonably estimated at this time. The extent to which the COVID-19 pandemic impacts our results of operations will depend on future developments, which are highly uncertain, including the availability and effectiveness of any new vaccines and the emergence of any new COVID-19 variants, among others.

Any failures or underperformance of our information technology system and infrastructure, in particular those relating to live streaming and business intelligence, could reduce learner satisfaction, harm our reputation, and cause our services to be less attractive to our learners and customers.

The performance and reliability of our technology system and infrastructure are critical to our business operations. We rely on a combination of in-house and external technology system and infrastructure to provide our services, the failure or underperformance of which may materially disrupt our business operations. For instance, we rely on certain external service providers to support the delivery of our live courses. Any capacity or bandwidth limit, service interruptions or delays or other errors of the live streaming service providers could materially and adversely affect our learner experience, reputation and brand image and the business operations of the consolidated affiliated entities. In addition, our network infrastructure is currently deployed, and our data is mainly maintained by certain third-party cloud computing service providers in China. We depend on such service providers' ability to protect their and our system in their facilities against events such as damage or interruption from natural disasters, power or telecommunications failures, air quality issues, environmental conditions, computer viruses or attempts to harm our systems, criminal acts and similar events, which events are beyond our control. If our arrangements with such service providers are terminated or if there is a lapse of service or damage to their facilities, we could experience interruptions in our service. Any interruptions in the accessibility of or deterioration it the quality of access to our platform and offerings could reduce the attractiveness of our services and products, impair learners' satisfaction and result in reduction in the number of our learners, which could materially and adversely affect our business, results of operations and financial condition.

We rely on third-party service providers to support certain of our online course delivery and business operation 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.

We rely on third parties to support certain of our online course delivery and business operation, including sales and marketing activities on certain major social media platforms, such as Weixin, Douyin and Kuaishou. We are, therefore, vulnerable to problems experienced by such third-party service providers. We may experience interruptions, delays or outages with respect to our third-party service providers in the future due to a variety of factors, including infrastructure changes, human, hardware or software errors, hosting disruptions and capacity constraints. The level of services provided by these providers, or regular or prolonged interruptions in that service, could also adversely affect our learners' experience, consequently, our business and reputation. In addition, costs generated from third parties' services will increase as our learner base grows, which could adversely affect our business if we are unable to grow our revenue sufficiently to offset such increase. Furthermore, our providers have broad discretion to change and interpret the terms of service and other policies with respect to us, including the fees charged to us, and those actions may be unfavorable to our business operations. Our providers may also take actions beyond our control that could seriously harm our business, including discontinuing or limiting our access to one or more services, increasing service prices, terminating or seeking to terminate our contractual relationship altogether, or altering how we are able to process data in a way that is unfavorable or costly to us. Although we expect that we could obtain similar services from other third parties, if our arrangements with our current providers were terminated, we could experience interruptions in our ability to make our online live streaming courses available to learners, as well as delays and additional expenses in arranging for alternative services. As a result, we may incur additional costs, fail to attract or retain learners, or be subject to potential liability, any of which could have an adverse effect on our business, results of operations and financial condition.

Failure to protect our intellectual property rights, in particular those relating to trademarks and copyrights as well as the contents on our platforms, may undermine our competitive position, and litigation to protect such intellectual property rights or defend against third-party allegations of infringement may be costly and ineffective.

We believe that our copyrights, trademarks and other intellectual property are essential to our success. We have devoted considerable time and energy to the development and improvement of our course materials, platforms and technologies. We rely primarily on copyrights, trademarks, trade secrets and other contractual restrictions for the protection of the intellectual property used in our business. Nevertheless, these provide only limited protection and the actions we take to protect our intellectual property rights may not be adequate. Third parties may pirate our course materials and infringe upon or misappropriate our other intellectual property. Our trade secrets may become known or be independently discovered by our competitors. Infringement upon or the misappropriation of, our proprietary technologies, course contents or other intellectual property could have a material adverse effect on our business, results of operations or financial condition. While we have taken steps to protect our proprietary rights, such steps may not be adequate to prevent the infringement or misappropriation of our intellectual property.

As of the date of this prospectus, we have not registered certain trademarks for certain goods or services we use in our business, and are in the process of registering certain trademarks that are necessary based on the current scope of our business. Certain trademarks relating to and potentially important to our business have been registered by third parties, some of which relates to our key brands "*QiNiu*," "*JiangZhen*," and "*QianChi*." We cannot assure you that any of our trademark applications will ultimately proceed to registration or will result in registration with adequate scope for our business, particularly if such requested trademarks are found to conflict with the registered trademarks owned by third parties, including our competitors. Some of our pending applications or registrations may be successfully challenged or invalidated by others. If our trademark applications are not successful, we may have to use different marks for the affected services, or seek to enter into arrangements with any third parties who may have prior registrations, applications or rights, which might not be available on commercially reasonable terms, if at all.

We have been, and expect to continue to be involved with litigation and other legal proceedings to protect our intellectual property rights. For instance, certain of our competitors are infringing certain copyrights of our financial literacy course contents and we have sued such companies and claimed for, among others, injunctive relief and monetary damages. As of the date of this prospectus, some of such legal proceedings are still ongoing. Litigation may be necessary to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Such litigation, however, may be costly and divert management's attention away from our business. An adverse determination in any such litigation would impair our intellectual property rights and may harm our business, prospects and reputation. Enforcement of judgments in China is uncertain, and even if we are successful in litigation, it may not provide us with an effective remedy. In addition, we have no insurance coverage against litigation costs and would have to bear all costs arising from such litigation to the extent we are unable to recover them from other parties. The occurrence of any of the foregoing could result in substantial costs and diversion of our resources, and have a material adverse effect on our business, results of operations and financial condition.

We may from time to time be subject to infringement claims relating to intellectual properties of third parties.

We cannot assure you that our course contents, IT technologies and platforms do not or will not infringe upon copyrights or other intellectual property rights held by third parties. We may encounter disputes from time to time over rights and obligations concerning intellectual properties, and we may not prevail in those disputes. For instance, we were historically subject to a competitor's claim that we infringed the copyrights relating to their financial literacy course contents, which we eventually settled with that party. In addition, although we develop most of our introductory and premium level courses in house, we have obtained the license to use certain learning materials on our platforms from third parties. If our rights to such contents are disputed or if we lose

such rights, we may be forced to remove the disputed content from the offerings as well as pay certain penalties. In this case, our business, results of operations, financial condition and reputation would be adversely affected.

We have adopted policies and procedures to prohibit our employees from infringing upon third-party copyright or intellectual property rights. However, we cannot ensure that they will not, against our policies, use third-party copyrighted materials or intellectual property without proper authorization in our platforms or via any medium through which we provide our services. We may incur liability for unauthorized duplication or distribution of materials posted on our online platforms or mobile apps. We may be subject to claims against us alleging our infringement of third-party intellectual property rights in the future. Any such intellectual property infringement claim could result in costly litigation and divert our management attention and resources, which in turn could adversely affect our business, results of operations and financial condition.

If our senior management and other key personnel are unable to work together effectively or efficiently or if we lose their services, our business may be severely affected.

The continued services of our senior management and other key personnel are important to our continued success. If they cannot work together effectively or efficiently, our business may be severely disrupted. If one or more of our senior management members was unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all, and our business, results of operations and financial condition may be materially and adversely affected. If any of our senior management joins a competitor or forms a competing business, we face the risk of losing other key personnel, our instructors, technology and R&D and other staff, as well as our learners. Our senior management has entered into employment agreements with us which contain confidentiality clauses, as well as standalone confidentiality and non-compete agreements. However, if any dispute arises between our senior management and us, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may be unable to enforce them at all.

A material weakness in our internal control over financial reporting has been identified, and if we fail to implement and maintain an effective system of internal control over financial reporting, we could be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of the ADSs may be materially and adversely affected.

Prior to this offering, we have been a private company with limited accounting and financial reporting personnel and other resources with which we address our internal control over financial reporting. In the course of preparing and auditing our consolidated financial statements as of and for the fiscal years ended June 30, 2021 and 2022, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting as of June 30, 2022. As defined in the standards established by the PCAOB, a “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidate financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and reporting requirements set forth by the SEC to properly address complex U.S. GAAP technical accounting issues, and to prepare and review the consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC. The material weakness, if not remediated timely, may lead to material misstatements in our consolidated financial statements in the future. Prior to preparing for this offering, neither we nor our independent registered public accounting firm had undertaken a comprehensive assessment of our internal control under the Sarbanes-Oxley Act for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

To remedy our identified material weakness, we have begun to, and will continue to, improve our internal control over financial reporting. For details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Internal Control over Financial Reporting." The implementation of these measures, however, may not fully address the material weakness identified in our internal control over financial reporting, and we cannot conclude that it has been fully remedied. Our failure to correct the material weakness or our failure to discover and address any other material weaknesses or deficiencies could result in inaccuracies in our financial statements and impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis**.** Moreover, ineffective internal control over financial reporting could significantly hinder our ability to prevent fraud.

Upon the completion of this offering, we will become a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act (the "Section 404") will require that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report in our second annual report on Form 20-F after becoming a public company. In addition, once we cease to be an "emerging growth company" as such term is defined in the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report with adverse opinion on our internal control over financial accounting if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. If we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404. Generally, if we fail to achieve and maintain an effective internal control environment, it could result in material misstatements in our financial statements and could also impair our ability to comply with applicable financial reporting requirements and related regulatory filings on a timely basis. As a result, our business, results of operations, financial condition and prospects, as well as the trading price of the ADSs, may be materially and adversely affected. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

If we fail to adopt new technologies, our competitive position and ability to generate revenues may be materially and adversely affected.

The technology used in online learning services may evolve rapidly. We must anticipate and adapt to such technological changes in a timely fashion, including but not limited to those relating to live broadcasting, data analytics and artificial intelligence. If we fail to upgrade our existing technologies or adopt new technologies important to our business, our ability to enhance and expand our course and other offerings, enlarge our learner base and encourage spending on our course and other offerings may be impaired. As a result, our business, results of operations and financial condition may be materially and adversely affected.

Any change, disruption, discontinuity in the features and functions of major social media in China could materially and adversely affect our business, results of operations and financial condition.

We leverage social media in China as a tool for learner acquisition and engagement. For instance, we acquire new learners through social media, such as Weixin, Douyin and Kuaishou, and our course operations depend in part on Weixin. To the extent that we fail to leverage such platforms, our ability to attract or retain learners may be severely harmed. If any of these platforms makes changes to its functions or support unfavorable to us, or even stops offering its functions or support to us, we may not be able to locate alternative platforms of similar scale to provide similar functions or support on commercially reasonable terms in a timely manner, or at all. Furthermore, we may fail to establish or maintain relationships with additional social network operators to support the growth of our business on economically viable terms, or at all. Any interruption to or discontinuation of our relationships with major social network operators in China may severely and negatively impact our ability to continue growing our learner base, and any occurrence of the circumstances mentioned above may have a material adverse effect on our business, results of operations and financial condition.

Our platforms incorporate open-source software, which may pose risks and uncertainties in a manner that negatively affects our business.

We currently use certain open-source software on our online platforms and will continue to do so in the future. There is a risk that open-source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our content on our online platforms. Additionally, we may face claims from third parties claiming ownership of, or demanding release of, the open-source software or derivative works that we developed using such software. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. As a result, our business, results of operations and financial condition might be adversely and materially affected.

We are subject to risks related to third-party payment processing.

We accept payments through major third-party online payment channels in China and bank transfers from our customers. We may also be susceptible to fraud, user data leakage and other illegal activities in connection with the various payment methods we offer. In addition, our business depends on the billing, payment and escrow systems of the third-party payment service providers to maintain accurate records of payments by customers and collect such payments. If the quality, utility, convenience or attractiveness of these payment processing and escrow services declines, or if we have to change the pattern of using these payment services for any reason, the attractiveness of our company could be materially and adversely affected. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and become unable to accept the current online payments solutions from customers, and our business, financial condition and results of operations could be materially and adversely affected. Business involving online payment services is subject to a number of risks that could materially and adversely affect third-party online payment service providers' ability to provide payment processing and escrow services to us, including:

- dissatisfaction with these online payment services or decreased use of their services;
- increasing competition, including from other established Chinese internet companies, payment service providers and companies engaged in other financial technology services;
- changes to rules or practices applicable to payment systems that link to third-party online payment service providers;

- breach of customers' personal information and concerns over the use and security of in-formation collected from buyers;
- service outages, system failures or failures to effectively scale the system to handle large and growing transaction volumes;
- increasing costs to third-party online payment service providers, including fees charged by banks to process transactions through online payment channels, which would also increase our costs of revenues; and
- failure to manage funds accurately or loss of funds, whether due to employee fraud, security breaches, technical errors or otherwise.

We currently have limited business insurance coverage.

Insurance companies in China currently do not offer as extensive an array of insurance products as insurance companies in more developed economies. We rarely maintain liability insurance or property insurance policies covering users, equipment and facilities for injuries, death or losses due to fire, earthquake, flood or any other disaster. Consistent with customary industry practice in China, we rarely maintain any business interruption insurance or key-man life insurance. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. Any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our results of operations and financial condition.

We face uncertainties with respect to our leased properties.

We lease real properties from third parties primarily for our offices in China, and the lease agreements for most of these leased properties have not been registered with the PRC government authorities as required by PRC law. Although the failure to do so does not in itself invalidate the leases, we may be ordered by the PRC government authorities to rectify such noncompliance and, if such noncompliance were not rectified within a given period of time, we may be subject to fines imposed by PRC government authorities ranging from RMB1,000 and RMB10,000 for those of our lease agreements that have not been registered with the relevant PRC government authorities. As of the date of this prospectus, we are not aware of any regulatory or governmental actions, claims or investigations being contemplated or any challenges by third parties to our use of such leased properties. However, we cannot assure you that the government authorities will not impose fines on us due to our failure to register any of our lease agreements, which may negatively impact our financial condition. In addition, the ownership certificates or other similar proof of some of our leased properties have not been provided to us by the relevant lessors. Therefore, we cannot assure you that such lessors are entitled to lease the relevant real properties to us. If the lessors are not entitled to lease the real properties to us and the owners of such real properties decline to ratify the lease agreements between us and the respective lessors, we may not be able to enforce our rights to lease such properties under the respective lease agreements against the owners. If this occurs, we may have to renegotiate the leases with the owners or other parties who have the right to lease the properties, and the terms of the new leases may be less favorable to us. In addition, in the event that our use of properties is successfully challenged, we may be forced to relocate. As of the date of this prospectus, we are not aware of any claim or challenge brought by any third parties against us or our lessors with respect to the defects in our leasehold interests. We cannot assure you that suitable alternative locations are readily available on commercially reasonable terms, or at all, and we may be unable to relocate our offices in a timely manner, which may adversely affect our business.

Failure to make adequate contributions to social insurance and housing fund as required by PRC regulations may subject us to penalties.

In accordance with the PRC Social Insurance Law and the Administrative Measures on Housing Fund and other relevant laws and regulations, an employer is required to pay basic pension insurance, basic medical

insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing fund (the "Employee Benefits"), for its employees in accordance with the rates provided under relevant regulations and withhold the Employee Benefits that should be assumed by the employees. We have not made sufficient contribution of the Employee Benefits for some employees. We have been, and may, from time to time, be subject to case-by-case requests to make up for our insufficient contributions to the Employee Benefits and/or, if any, the associated late fees or fines. We have made adequate provision in relation to the insufficient contribution of the Employee Benefits in our financial statements. However, we cannot assure you that the relevant government authorities will not, in the future, require us to pay the outstanding amount and impose late fees or fines on us, in which case our business, results of operations and financial condition may be adversely affected.

Increases in labor costs, inflation and implementation of stricter labor laws in the PRC may adversely affect our business and results of operations.

Under the PRC Labor Contract Law, employees have the right, among others, to have written employment contracts, to enter into employment contracts with no fixed term under certain circumstances, to receive overtime wages and to terminate or alter terms in labor contracts. Because the PRC government authorities have introduced various new labor-related regulations since the PRC Labor Contract Law took effect, and the interpretation and implementation of these regulations are still evolving, our employment practice could violate the PRC Labor Contract Law and related regulations and could be subject to related penalties, fines or legal fees. We have been, and may in the future be, subject to certain employment related disputes from time to time. We cannot assure you that we will not be subject to any material labor disputes or penalties from regulatory authorities in the future. If we are subject to severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, results of operations and financial condition may be adversely affected.

China's overall economy and the average salary have increased in recent years and are expected to continue to grow. The average salary level for our employees has also increased in recent years. We expect that our labor costs, including salaries and employee benefits, will continue to increase. Unless we are able to pass on these increased labor costs to our customers by attracting new paying learners, increase learners' spending on our offerings or increasing the prices of our offerings, our business, results of operations and financial condition would be materially and adversely affected.

We may, from time to time, evaluate and potentially consummate investments and acquisitions or enter into alliances, which may require significant management attention and adversely affect our business operations, results of operations and financial condition.

We may evaluate and consider strategic investments, combinations, acquisitions or alliances to further increase the value of our platforms and better serve our learners and enterprise customers. We may not be able to identify suitable strategic alliances or acquisition opportunities, complete such transactions on commercially favorable terms, or successfully integrate business operations, infrastructure and management philosophies of acquired businesses and companies. Furthermore, these transactions could be material to our business if consummated. We may not have the financial resources necessary to consummate any acquisitions in the future or the ability to obtain the necessary funds on satisfactory terms. There may be particular complexities, regulatory or otherwise, associated with further expansion into new markets, and our strategies may not succeed beyond our and current markets. Any future acquisitions may also result in significant transaction expenses in addition to integration and consolidation risks. Because acquisitions historically have not been a core part of our growth strategy, we have no material experience in successfully utilizing acquisitions. We may not have sufficient management, financial and other resources to integrate any such future acquisitions or to successfully operate new businesses, and we may be unable to profitably operate our expanded company. If we are unable to effectively address these challenges, our ability to execute acquisitions will be impaired, which could have an adverse effect on our growth.

We rely on certain key operating metrics to evaluate the performance of our business, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We rely on certain key operating metrics, such as the number of registered users, introductory course learners and paying learners, among other things, to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by other companies due to differences in methodology and assumptions. We calculate these operating metrics using internal company data and certain external data. If we discover material inaccuracies in the operating metrics we use, or if they are perceived to be inaccurate, our reputation may be harmed and our evaluation methods and results may be impaired, which could negatively affect our business. If investors make investment decisions based on operating metrics we disclose that are inaccurate, we may also face potential lawsuits or disputes.

Our business is subject to seasonal fluctuations.

We generally face a higher number of learners on our platforms in summer vacations and other long holidays when the adults have more spare time for learning, as well as when our and the overall marketing and promotional activities are more active. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Selected Quarterly Results of Operations." Overall, the historical seasonality of our business has been relatively mild due to our rapid growth, but seasonality may increase in the future. Due to our limited history, the seasonal trends that we have experienced in the past may not be indicative of our future prospects. Our results of operations and financial condition for future periods may continue to fluctuate. As a result, the trading price of the ADSs may fluctuate from time to time due to seasonality.

We have adopted share option plans and expect to grant share-based awards under such plans, which may result in increasing share-based compensation expenses.

In connection with our restructuring and spin-off, we adopted our 2018 share incentive plan (the "2018 Plan") and 2021 global share plan (the "2021 Plan") in May 2022 to reflect the respective interests of grantees prior to the restructuring and spin-off and to provide for future incentive grants to our employees, directors and consultants. Under the 2018 Plan and the 2021 Plan, the maximum aggregate number of shares which may be issued pursuant to all awards is 21,717,118 shares. Effective upon the completion of this offering, an additional number of Class A ordinary shares equal to 10% of the total issued and outstanding ordinary shares immediately upon the completion of this offering (without taking into account of the number of shares issuable pursuant to the exercise of the underwriters' option to purchase additional ADSs in this offering) will be reserved for the 2021 Plan. As of the date of this prospectus, options to purchase a total of 18,640,751 ordinary shares have been granted and not exercised under the 2021 Plan, and no options have been granted under the 2018 Plan. We recorded share-based compensation of RMB101.8 million, RMB291.4 million (US$41.0 million), RMB29.1 million and RMB46.4 million (US$6.5 million) for the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We may continue to record significant share-based compensation expenses in relation to such share option grants. We expect to grant awards under such plans, which we believe is of significant importance to our ability to attract and retain key personnel and employees and may therefore record additional amount of share-based compensation expenses. See "Management — Share Incentive Plans" for details. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations and financial condition.

The performance of the internet infrastructure and telecommunications networks in China is critical to our business.

The performance of the internet infrastructure and telecommunications networks in China is critical to our business. Almost all access to the internet is maintained through state-owned telecommunications operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology of the PRC (the "MIIT"). Moreover, we have entered into contracts with various subsidiaries of a

limited number of telecommunications service providers at provincial level and rely on them to provide us with data communications capacity through local telecommunications lines. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the telecommunications networks provided by telecommunications service providers. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our online platform. However, we have no control over the costs of the services provided by telecommunications service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. If internet access fees or other charges to internet users increase, our user traffic may decline, and our business may be harmed.

We may need additional capital in the future to pursue our business objectives.

We may need to raise additional capital to respond to business challenges or opportunities, accelerate our growth, develop new offerings or enhance our technological capacities. Due to the unpredictable nature of the capital markets and our industry, we cannot assure you that we will be able to raise additional capital on terms favorable to us, or at all, if and when required, especially if we experience disappointing results of operations. If adequate capital is not available to us as required, our ability to fund operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited. If we do raise additional funds through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges senior to those of existing shareholders.

Natural disasters and unusual weather conditions, power outages, pandemic outbreaks, terrorist acts, global political events and other extraordinary events could materially and adversely affect our results of operations, financial condition and future prospects.

In addition to the impact of COVID-19, natural disasters, such as fires, earthquakes, hurricanes, floods, tornadoes, unusual weather conditions, power outages, other pandemic outbreaks, terrorist acts or disruptive global political events, or similar disruptions could materially and adversely affect our business operations and financial performance. These events could result in server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software, hardware, storage and network. Any interruptions to our live streaming capabilities due to extraordinary event can materially affect our ability to grow our learner base and impair our user experience, disrupt normal business operations, and be detrimental to our reputation and growth prospects. In addition, in recent years, there have been other breakouts of epidemics in China and globally. Normal business operations could be disrupted if one of our employees is suspected of having H1N1 flu, avian flu, or another epidemic, since it could require our employees to be quarantined and/or our offices to be disinfected. Our results of operations could be also adversely affected to the extent that any of the extraordinary events harms the PRC economy in general.

Risks Related to Our Corporate Structure

If the PRC government deems that our contractual arrangements with the VIE do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, the ADSs may decline in value or become worthless if we are unable to assert our contractual control rights over the assets of the affiliated entities that conduct substantially all of the revenue-generating operations.

In June 2018, MOFCOM and the National Development and Reform Commission (the "NDRC") promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (the "Negative List"), which became effective on July 28, 2018, in order to amend the Guidance Catalog of Industries for Foreign Investment. The Negative List was latest amended on December 27, 2021. Pursuant to the latest

Negative List, foreign ownership in entities that provide internet and other related businesses, including but not limited to, certain value-added telecommunication services, internet audio-visual program services and radio and television program production and operation, is subject to restrictions under current PRC laws and regulations, unless certain exceptions are available. Specifically, the operation of certain value-added telecommunications services is considered as "restricted," while the provision of radio and television program production and operation and the internet audio-visual program services are considered as "prohibited."

QuantaSing Group Limited is a Cayman Islands holding company with no substantive operations. Beijing Liangzizhige, our WFOE, is our wholly-owned PRC subsidiary and a foreign-invested enterprise under PRC laws. Accordingly, our WFOE is not eligible to engage in businesses that are subject to foreign ownership restriction under the PRC laws. We currently conduct our business in China through the contractual arrangements entered into by our WFOE with the VIE based in China. Investors in the ADSs are purchasing the equity securities of QuantaSing Group Limited, the Cayman Islands holding company, rather than the equity securities of the VIE or its subsidiaries. Our WFOE has entered into a series of contractual arrangements with the VIE and its shareholder, which enable us to (1) be considered as the primary beneficiary of the VIE for accounting purposes and consolidate the financial results of the affiliated entities, (2) receive substantially all of the economic benefits of the affiliated entities, (3) have the pledge right over the equity interests in the VIE as the pledgee, and (4) have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law. We have been and expect to continue to be dependent on the affiliated entities to operate our business in China. As a result of these contractual arrangements, we are the primary beneficiary of the VIE and consolidate the financial results of the affiliated entities under U.S. GAAP. See "Corporate History and Structure" for details.

In the opinion of our PRC counsel, CM Law Firm, (1) the ownership structures of our WFOE and the VIE in China are not in any violation of the applicable PRC laws or regulations currently in effect; and (2) the agreements under the contractual arrangements among our WFOE, the VIE and its shareholder governed by PRC law are valid and binding upon each party to such agreements and enforceable against each party thereto in accordance with their terms and applicable PRC laws and regulations currently in effect. However, we have been further advised by our PRC counsel that there are substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. The PRC government may ultimately take a view contrary to or otherwise different from the opinion of our PRC counsel. As of the date of this prospectus, the agreements under the contractual arrangements among our WFOE, the VIE and its shareholder have not been tested in a court of law. If the PRC government otherwise find that we are in violation of any existing or future PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant government authorities would have broad discretion in dealing with such violation, including, without limitation:

- revoking our business and/or operating licenses;
- discontinuing or restricting any related-party transactions between our company and the VIE;
- imposing fines and penalties, confiscating the income that they deem to be obtained through illegal operations, or imposing additional operational requirements which we or the VIE may not be able to comply with;
- requiring us to restructure our ownership structure or operations, including terminating the contractual arrangements and deregistering the share pledges of the VIE, which in turn would affect our ability to consolidate, derive economic interests from, or effectively exercise our contractual rights over the VIE and their assets and operations;
- restricting or prohibiting our use of the proceeds of this offering to finance the business and operations of our subsidiary and the affiliated entities in China, particularly the expansion of our business through strategic acquisitions;

- restricting the use of financing sources by us or the VIE or otherwise restricting our or their ability to conduct business;
- taking other regulatory or enforcement actions that could be harmful to our business.

Any of these events could cause significant disruption to our operations and materially and adversely affect our reputation, business, results of operations and financial condition. If the PRC government determines that the contractual arrangements and/or the VIE structure do not comply with PRC regulations, or if these regulations change or are interpreted differently in the future, we may be unable to direct the VIE's activities in China that significantly impact its economic performance and/or to receive the economic benefits and residual returns from the VIE, and we are unable to restructure our ownership structure and our operations in a satisfactory manner, we may not be able to consolidate the financial results of the affiliated entities in our consolidated financial statements in accordance with U.S. GAAP, and the ADSs may decline in value or become worthless.

The contractual arrangements with the VIE and its shareholder may be less effective than direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with the VIE and its shareholder to conduct our operations in China. These contractual arrangements, however, may be less effective than direct ownership in providing us with operational control over the VIE. For instance, the VIE and its shareholder could breach their contractual arrangements with us by, among other things, failing to conduct the operations of the VIE in an acceptable manner or taking other actions that are detrimental to our interests.

If we had direct ownership of the VIE in China, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIE and its shareholder of their obligations under the contracts to direct the VIE's activities. The shareholder of the VIE may not act in the best interests of our company or may not perform its obligations under these contracts. If any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC law and arbitration, litigation and other legal proceedings and therefore will be subject to uncertainties in the PRC legal system. See "— We face uncertainty with respect to the enforceability of the contractual arrangements with the VIE and its shareholder, and any failure by the VIE or its shareholder to perform their obligations under our contractual arrangements with them would have a material and adverse effect on our business."

We face uncertainty with respect to the enforceability of the contractual arrangements with the VIE and its shareholder, and any failure by the VIE or its shareholder to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.

If the VIE or its shareholder fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC law, including seeking specific performance or injunctive relief, and contractual remedies, which we cannot assure you will be sufficient or effective under PRC law. For instance, if the shareholder of the VIE were to refuse to transfer its equity interests in the VIE to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations. In addition, if any third parties claim any interest in such shareholder's equity interests in the VIE, our ability to exercise shareholder's rights or foreclose the share pledge according to the contractual arrangements may be impaired. If these or other disputes between the shareholder of the VIE and third parties were to impair our contractual control over the VIE, our ability to consolidate the financial results of the affiliated entities would be affected, which would in turn result in a material adverse effect our business, operations and financial condition.

All the agreements under our contractual arrangements with the VIE are governed by PRC law and provide for the resolution of disputes through arbitration in China. Accordingly, these contracts would be interpreted in accordance with PRC law and any disputes would be resolved in accordance with PRC legal procedures. However, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC law, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective contractual control over the VIE, and our ability to conduct our business may be negatively affected. See "— Risks Related to Doing Business in China — Uncertainties with respect to the PRC legal system could have a material adverse effect on our business, results of operations, financial condition and future prospects, and cause the ADSs to significantly decline in value or become worthless."

The shareholder of the VIE may have actual or potential conflicts of interest with us, which may materially and adversely affect our business, results of operations and financial condition.

The shareholder of the VIE may have actual or potential conflicts of interest with us. The shareholder may breach, or cause the VIE to breach, or refuse to renew, the existing contractual arrangements we have with the shareholder and the VIE, which would have a material and adverse effect on our ability to consolidate the financial results of the affiliated entities and receive economic benefits from them. For instance, the shareholder may be able to cause our agreements with the VIE to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise the shareholder will act in the best interests of our company or such conflicts will be resolved in our favor.

We do not currently have any arrangements to address potential conflicts of interest between the shareholder and our company, except that we could exercise our purchase option under the exclusive option agreement with the shareholder to request it to transfer all of its equity interests in the VIE to a PRC entity or individual designated by us, to the extent permitted by PRC law. For individuals who are also our directors and officers, we rely on them to abide by the laws of the Cayman Islands, which provide that directors and officers owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the company and not to use their position for personal gains. The shareholder of the VIE have executed powers of attorney to appoint our WFOE or a person designated by our WFOE to vote on its behalf and exercise voting rights as shareholder of our respective VIE. If we cannot resolve any conflict of interest or dispute between us and the shareholder of the VIE, we would have to rely on legal proceedings, which could result in disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

The shareholder of the VIE may be involved in disputes with third parties or other incidents that may have an adverse effect on their respective equity interests in the VIE and the validity or enforceability of our contractual arrangements with the VIE and its shareholder. For instance, if any of the equity interests of the VIE is assigned to a third party with whom the current contractual arrangements are not binding, we could lose our contractual control over the VIE or have to maintain such control by incurring unpredictable costs, which could cause significant disruptions to our business, results of operations and financial condition.

Although under our current contractual arrangements, it is expressly provided that the VIE and its shareholder shall not assign any of their respective rights or obligations to any third party without the prior

written consent of our WFOE, we cannot assure you that these arrangements will be complied with or effectively enforced. In the case any of them is breached or becomes unenforceable and leads to legal proceedings, it could disrupt our business, distract our management's attention and subject us to substantial uncertainties as to the outcome of any such legal proceedings.

Contractual arrangements we have entered into with the VIE may be subject to scrutiny by the PRC tax authorities and they may determine that we or the VIE owe additional taxes, which could materially and adversely affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements in relation to the VIE were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust income of the VIE in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the VIE for PRC tax purposes, which could in turn increase their tax liabilities without reducing our WFOE's tax expenses. In addition, the PRC tax authorities may impose late payment fees and other penalties on the VIE for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if the VIE's tax liabilities increase or if they are required to pay late fees and other penalties.

Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance, and our business, results of operations, financial condition and prospects.

On March 15, 2019, the National People's Congress promulgated the Foreign Investment Law, which came into effect on January 1, 2020. Since it is relatively new, uncertainties exist in relation to its interpretation and implementation. The Foreign Investment Law does not explicitly classify whether variable interest entities that are controlled through contractual arrangements would be deemed as foreign invested enterprises if they are ultimately "controlled" by foreign investors. However, it contains a catch-all provision under the definition of "foreign investment", which includes investments made by foreign investors in China through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the Stale Council to provide for contractual arrangements as a form of foreign investment, at which time it will be uncertain whether our contractual arrangements with the VIE will be deemed to be in violation of the market access requirements for foreign investment in China and if yes, how our contractual arrangements with the VIE should be dealt with.

The Foreign Investment Law grants national treatment to foreign-invested entities, except for those foreign-invested entities that operate in industries specified as either "restricted" or "prohibited" from foreign investment in the Negative List. The Foreign Investment Law provides that (1) foreign-invested entities operating in "restricted" industries are required to obtain market entry clearance and other approvals from relevant PRC government authorities; (2) foreign investors shall not invest in any industries that are "prohibited" under the Negative List. If our contractual control over the VIE through contractual arrangements are deemed as foreign investment in the future, and any business of the VIE is "restricted" or "prohibited" from foreign investment under the "negative list" effective at the time, we may be deemed to be in violation of the Foreign Investment Law, the contractual arrangements that allow us to have contractual control over the VIE may be deemed as invalid and illegal, and we may be required to unwind such contractual arrangements and/or restructure our business operations, any of which may have a material adverse effect on our business operations.

Furthermore, if future laws, administrative regulations or provisions mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to

cope with any of these or similar regulatory compliance challenges could materially and adversely affect our corporate structure and our business operations.

We may lose the ability to use and enjoy the assets held by the VIE that are material to the operations of certain portion of our business if the entities go bankrupt or become subject to a dissolution or liquidation proceeding.

As part of our contractual arrangements with the VIE, the VIE holds certain assets that are material to the operations of certain portion of our business, including licenses, permits, and some of our IP rights. If the shareholder of the VIE breach the contractual arrangements and voluntarily liquidate the VIE, or if the VIE goes bankrupt and all or part of their assets become subject to liens or rights of third-party creditors or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, results of operations and financial condition. If the VIE undergoes a voluntary or involuntary liquidation proceeding, the independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, results of operations and financial condition.

Risks Related to Doing Business in China

The PRC government has significant authority to exert influence on the China operations of an offshore holding company, and offerings conducted overseas and foreign investment in China-based issuers, such as us. Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business, results of operations, financial condition, and the value of our securities.

We conduct our business in China and substantially all of our assets are located in China. Accordingly, our business, results of operations and financial condition may be influenced to a significant degree by the PRC political, economic, and social conditions. The PRC government may intervene or influence our operations at any time, which could result in a material change in our operations and/or the value of our securities.

The economic, political and social conditions in China differ from those of the countries in other jurisdictions in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. The PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises. These reforms have resulted in significant economic growth and social prospects. However, a substantial portion of productive assets in China is still owned by the government. The PRC government exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions, providing preferential treatment to particular industries or companies, or imposing industry-wide policies on certain industries. Economic reform measures may also be adjusted, modified or applied inconsistently from industry to industry or across different regions of the country, and there can be no assurance that the Chinese government will continue to pursue a policy of economic reform or that the direction of reform will continue to be market friendly.

While the Chinese economy has experienced significant growth in the past four decades, growth has been uneven, both geographically and among various sectors of the economy. Various measures implemented by the PRC government to encourage economic growth and guide the allocation of resources may benefit the overall Chinese economy, but may also have a negative effect on us. The results of operations and financial condition could be materially and adversely affected by government control over capital investments, foreign investment or changes in tax regulations that are applicable to us. The PRC government has also implemented certain measures in the past, including interest rate adjustment, to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for our products and

consequently have a material adverse effect on our business, results of operations and financial condition. In addition, the COVID-19 pandemic may also have a severe and negative impact on the Chinese economy. Any severe or prolonged slowdown in the rate of growth of the Chinese economy may adversely affect our business and results of operations, leading to reduction in demand for our products and adversely affect our competitive position. Additionally, the PRC government may promulgate laws, regulations or policies that seek to impose stricter scrutiny over, or completely revise, the current regulatory regime in certain industries or in certain activities. For instance, the PRC government has significant discretion over the business operations in China and may intervene with or influence specific industries or companies as it deems appropriate to further regulatory, political and societal goals, which could have a material and adverse effect on the future growth of the affected industries and the companies operating in such industries. Furthermore, the PRC government has also recently indicated an intent to exert more oversight and control over overseas securities offerings and foreign investments in China-based companies. Any such actions may adversely affect our operations and significantly limit or completely hinder our ability to offer or continue to offer securities to you and cause the value of such securities to significantly decline or be worthless.

Our ability to successfully maintain or grow business operations in China depends on various factors, which are beyond our control. These factors include, among others, macro-economic and other market conditions, political stability, social conditions, measures to control inflation or deflation, changes in the rate or method of taxation, changes in laws, regulations and administrative directives or their interpretation, and changes in industry policies. If we fail to take timely and appropriate measures to adapt to any of the changes or challenges, our business, results of operations and financial condition could be materially and adversely affected.

Recent regulatory development in China may exert more oversight and control over listing and offerings that are conducted overseas. The approval of the CSRC may be required in connection with this offering and our future capital raising activities, and, if required, we cannot assure you that we or the affiliated entities will be able to obtain such approval, in which case we may face regulatory sanctions for failure to obtain such approval for this offering and our future capital raising activities.

Under the current Regulations on Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "M&A Rules"), as jointly adopted by six PRC regulatory agencies in 2006 and amended in 2009, an offshore special purpose vehicle that is controlled by PRC domestic companies or individuals and that has been formed for the purpose of an overseas listing of securities through acquisitions of PRC domestic companies or assets is required to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. However, substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

Our PRC counsel, CM Law Firm, has advised us based on their understanding of the current PRC laws, regulations and rules that the CSRC's approval under the M&A Rules may not be required for the listing and trading of the ADSs on the Nasdaq Stock Market in the context of this offering, given that: (1) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings like ours in this and the final prospectus are subject to the M&A Rules, (2) our WFOE was incorporated as wholly foreign-owned enterprise by means of direct investment rather than by merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules, and (3) no explicit provision in the M&A Rules clearly classifies contractual arrangements as a type of acquisition transaction subject to the M&A Rules.

However, our PRC counsel has further advised us that it remains uncertain as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and its opinions summarized above are subject to any new laws, regulations and rules or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC government agencies, including the CSRC, might, from time to time, further clarify or interpret the M&A Rules in writing or orally and require their approvals to be obtained for the offering. We cannot assure you that relevant PRC government agencies,

including the CSRC, would reach the same conclusion as our PRC counsel does. If it is determined that CSRC approval under the M&A Rules is required for this offering, we may face sanctions by the CSRC or other PRC regulatory agencies for failure to obtain or delay in obtaining CSRC approval for this offering. These sanctions may include fines and penalties on the operations in China, delays in or restrictions on the repatriation of the proceeds from this offering into China, restrictions on or prohibition of the payments or remittance of dividends by our WFOE or the VIE in China, or other actions that could have a material and adverse effect on our business, results of operations, financial condition, reputation and prospects, as well as the trading price of the ADSs.

Furthermore, the PRC regulatory authorities have recently exerted more oversight and control over offerings that are conducted overseas. On July 6, 2021, the General Office of the State Council of the PRC, together with another regulatory authority, jointly promulgated the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law, which calls for enhanced administration and supervision of overseas-listed China-based companies, proposes to revise the relevant regulation governing the overseas issuance and listing of shares by such companies, and clarifies the responsibilities of competent domestic industry regulators and government authorities. On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (the "Draft Rules Regarding Overseas Listing"), for public comments until January 23, 2022. The Draft Rules Regarding Overseas Listing comprehensively improved and reformed the exiting regulatory system for overseas offering and listing of domestic companies, and brought all overseas listing activities including both direct and indirect overseas offering and listing under regulation by adopting a filing-based administration system. The Draft Rules Regarding Overseas Listing stipulates that the China-based companies, or the issuer, shall fulfill the filing procedures within three working days after the issuer makes an application for initial public offering and listing in an overseas market. In addition, an overseas offering and listing is prohibited under any of certain circumstances, including, among others, prohibition by national laws and regulations and relevant provisions, threatening to or endangering national security, material violation of laws by the company or its controllers or its directors, supervisors, or senior executives. The Draft Rules Regarding Overseas Listing defines the legal liabilities of breaches such as failure in fulfilling filing obligations or fraudulent filing conducts, imposing a fine between RMB1 million and RMB10 million, and in cases of severe violations, a parallel order to suspend relevant business or halt operation for rectification, revoke relevant business permits or operational license.

As of the date of this prospectus, the Draft Rules Regarding Overseas Listing has not come into effect. In light of the current proposed provisions under the Draft Rules Regarding Overseas Listing, if it were to be implemented as proposed in its current form before this offering and listing is completed, we might be subject to the filing requirement with the CSRC for this listing and offering and might also be prohibited from completing this offering if any of the circumstances described in the Draft Rules Regarding Overseas Listing occurs. Moreover, as the Draft Rules Regarding Overseas Listing has not come into effect, there remains uncertainty in the final form and the interpretation and implementation of such overseas listing rules, and we cannot assure you that the relevant PRC government authorities, including the CSRC, would not promulgate new rules or new interpretation of current rules to require us or the affiliated entities to obtain CSRC or other PRC government approvals or complete other compliance procedures for this offering. We cannot assure you that we or the affiliated entities would be able to obtain such approvals or complete such other compliance procedures, to the extent that they may be subsequently required by the relevant regulatory authorities, in a timely manner, or at all, or that any completion of review or approval or other compliance procedures would not be rescinded. Any failure to obtain or delay in obtaining such approval or completing such procedures for this listing and offering or future capital raising activities as required under the Draft Rules Regarding Overseas Listing, or a rescission of any such approval obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities. These regulatory authorities may impose restrictions and penalties on the operations in China, significantly limit or completely hinder our ability to complete this offering or launch any new offering of our securities, limit our ability to pay dividends outside of China, delay or restrict the repatriation of the proceeds from this offering or future capital raising activities into China, or take other actions that could materially and adversely affect our

business, results of operations, financial condition and prospects, as well as the trading price of the ADSs. Accordingly, the value of your investment may be materially and adversely affected or become worthless.

Furthermore, the PRC government authorities may further strengthen oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers like us. Any such action may adversely affect our operations and significantly limit or completely hinder our ability to offer or continue to offer securities to you and cause the value of such securities to significantly decline or be worthless.

Recent greater oversight by the CAC over data security, particularly for companies seeking to list on a foreign exchange, could significantly limit or completely hinder our ability in capital raising activities and materially and adversely affect our business and the value of your investment.

On December 28, 2021, the CAC and several other PRC government authorities jointly issued an amendment to the Measures for Cybersecurity Review, which took effect on February 15, 2022 and provides that the relevant operators shall apply with the Cybersecurity Review Office of CAC for a cybersecurity review under certain circumstances. See "Regulation — Regulations on Internet Information Security and Censorship." As a network platform operator who possesses personal information of more than one million users for purposes of the Cybersecurity Review Measures, we have applied for and completed a cybersecurity review for this offering and listing pursuant to the Cybersecurity Review Measures. The review was completed in August 2022. We have not received any material adverse findings in such review. We are in compliance with the existing regulations and policies by the CAC regarding the Cybersecurity Review as of the date of this prospectus. However, it remains uncertain as to how the existing regulatory measures will be interpreted or implemented in the future, and whether the PRC regulatory agencies, including the CAC, may adopt new laws, regulations, rules, or detailed implementation and interpretation related to the measures, which may have a material adverse impact on our future capital raising activities, or even retrospectively, on this offering and listing. If any such new laws, regulations, rules, or implementation and interpretation comes into effect, we face uncertainty as to whether any review or other required actions can be timely completed, or at all. Given such uncertainty, we may be further required to suspend our business, shut down our platforms, or face other penalties, which could materially and adversely affect our business, results of operations and financial condition, and/or the value of the ADSs, or could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. In addition, if any of these events causes us unable to direct the VIE's activities or lose the right to receive their economic benefits, we may not be able to consolidate the VIE into our consolidated financial statements in accordance with U.S. GAAP, which could cause the value of the ADSs to significantly decline or become worthless.

The ADSs will be delisted and our shares and ADSs will be prohibited from trading in the over-the-counter market under the Holding Foreign Companies Accountable Act, if the PCAOB is unable to inspect or investigate completely auditors located in China for three consecutive years or if proposed changes to the law are enacted, for two consecutive years. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, the HFCAA has been signed into law on December 18, 2020. The HFCAA states if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspection for the PCAOB for three consecutive years, the SEC shall prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter market in the United States.

On December 2, 2021, the SEC adopted final amendments to its rules implementing the HFCAA, which include requirements to disclose information, including the auditor name and location, the percentage of shares of the issuer owned by governmental entities, whether governmental entities in the applicable foreign jurisdiction with respect to the auditor has a controlling financial interest with respect to the issuer, the name of each official

of the Chinese Communist Party who is a member of the board of the issuer, and whether the articles of incorporation of the issuer contains any charter of the Chinese Communist Party. These amendments also establish procedures the SEC will follow in identifying issuers and prohibiting trading by certain issuers under the HFCAA, including that the SEC will identify an issuer as a "Commission-identified Issuer" if the issuer has filed an annual report containing an audit report issued by a registered public accounting firm that the PCAOB has determined it is unable to inspect or investigate completely, and will then impose a trading prohibition on an issuer after it is identified as a Commission-Identified Issuer for three consecutive years.

There have been various initiatives to reduce the number of consecutive non-inspection years required for triggering the prohibitions under the HFCAA from three to two years. On June 22, 2021, the U.S. Senate passed a bill known as the Accelerating Holding Foreign Companies Accountable Act to that effect, and on February 4, 2022, the United States House of Representatives passed a bill contained, among others, an identical provision. If this provision is enacted into law, our shares and ADSs could be prohibited from trading in the United States if we are identified as a Commission-identified Issuer for two consecutive years.

In March 2022, the SEC issued its first "Conclusive list of issuers identified under the HFCAA" indicating that those companies are now formally subject to the delisting provisions if they remain on the list for three consecutive years. As of the date of this prospectus, more than 170 public companies have been listed in as issuers identified under the HFCAA.

In August 2022, the PCAOB, the CSRC and the Ministry of Finance of the PRC signed the Statement of Protocol, which establishes a specific and accountable framework for the PCAOB to conduct inspections and investigations of PCAOB-governed accounting firms in mainland China and Hong Kong. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong completely in 2022. The PCAOB Board vacated its previous 2021 determinations that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainties and depends on a number of factors out of our and our auditor's control. The PCAOB continues to demand complete access in mainland China and Hong Kong moving forward and is making plans to resume regular inspections in early 2023 and beyond, as well as to continue pursuing ongoing investigations and initiate new investigations as needed. The PCAOB has also indicated that it will act immediately to consider the need to issue new determinations with the HFCAA if needed. If the PCAOB is unable to inspect and investigate completely registered public accounting firms located in China in 2023 and beyond, or if we fail to, among others, meet the PCAOB's requirements, including retaining a registered public accounting firm that the PCAOB determines it is able to inspect and investigate completely, we will be identified as a "Commission-identified Issuer," and upon the expiration of the applicable years of non-inspection under the HFCAA and relevant regulations, the ADSs will be delisted from the Nasdaq Stock Market and our shares and ADSs will not be permitted for trading over the counter either. If our shares and ADSs are prohibited from trading in the United States, we cannot assure you that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. Such a prohibition would substantially impair your ability to sell or purchase the ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of the ADSs. Moreover, the HFCAA or other efforts to increase U.S. regulatory access to audit information could cause investor uncertainty for affected issuers, including us, and the market price of the ADSs could be adversely affected. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

In addition, on August 6, 2020, the President's Working Group on Financial Markets (the "PWG") released a report recommending that the SEC take steps to implement the five recommendations, including enhanced listing standards on U.S. stock exchanges with respect to PCAOB inspection of accounting firms. This would require, as a condition to initial and continued listing on a U.S. stock exchange, PCAOB access to work papers of

the principal audit firm for the audit of the listed company. The report permits the new listing standards to provide for a transition period until January 1, 2022 for listed companies, but would apply immediately to new listings once the necessary rulemakings and/or standard-setting are effective. It is unclear if and when the SEC will make rules to implement the recommendations proposed in the PWG report, especially in light of its ongoing rulemaking pursuant to the HFCAA. Any of these factors and developments could potentially lead to a material adverse effect on our business, prospects, results of operations and financial condition.

The PCAOB has historically been unable to inspect our auditor in relation to their audit work performed for our financial statements included elsewhere in this prospectus and the inability of the PCAOB to conduct inspections over our auditor deprives our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this prospectus, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in China, a jurisdiction where the PCAOB was unable to conduct inspections and investigations before 2022. As a result, we and investors in our securities are deprived of the benefits of such PCAOB inspections. On December 15, 2022, the PCAOB announced that it was able to secure complete access to inspect and investigate PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong in 2022. However, the inability of the PCAOB to conduct inspections of auditors in China in the past made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that have been subject to the PCAOB inspections, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Proceedings instituted by the SEC against the "big four" PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not comply with the requirements of the Exchange Act.

In December 2012, the SEC brought administrative proceedings against the "big four" PRC-based accounting firms, including our independent registered public accounting firm, alleging that they had violated U.S. securities laws and the SEC's rules and regulations thereunder by failing to provide to the SEC the firms' audit work papers and other documents related to certain other PRC-based companies that are publicly traded in the United States.

On January 22, 2014, the administrative law judge presiding over the matter rendered an initial decision that each of the firms had violated the SEC's rules of practice by failing to produce audit papers and other documents to the SEC. The initial decision censured each of the firms and barred them from practicing before the SEC for a period of six months. The decision was neither final nor legally effective until reviewed and approved by the SEC, and on February 12, 2014, the PRC-based accounting firms appealed to the SEC against this decision.

On February 6, 2015, the four PRC-based accounting firms each agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC and audit U.S.-listed companies. The settlement required the firms to follow detailed procedures and to seek to provide the SEC with access to PRC-based firms' audit documents via the CSRC. Under the terms of the settlement, the underlying proceeding against the four PRC-based accounting firms was deemed dismissed with prejudice four years after entry of the settlement. The four-year mark occurred on February 6, 2019. Despite the Statement of Protocol, it remains uncertain whether the SEC will further challenge the four PRC-based accounting firms' compliance with U.S. laws in connection with U.S. regulatory requests for audit work papers or if the results of such a challenge would result in the SEC imposing penalties such as suspensions.

If additional remedial measures are imposed on the PRC-based accounting firms, including our independent registered public accounting firm, we could be unable to timely file future financial statements in compliance

with the requirements of the Exchange Act. Moreover, any negative news about any such future proceedings against these accounting firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of the ADSs may be adversely affected. A determination that we have not timely filed financial statements in compliance with the SEC requirements could ultimately lead to the delisting of the ADSs from the Nasdaq Stock Market or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of the ADSs in the United States.

A severe or prolonged downturn in the global or Chinese economy could materially and adversely affect our business, results of operations, financial condition and prospects.

COVID-19 has had a severe and negative impact on the global and Chinese economy, and its long-term impact on global and Chinese economy is still uncertain. Even before the outbreak of COVID-19, the global macroeconomic environment was facing challenges, including the end of quantitative easing by the U.S. Federal Reserve, the economic slowdown in the Eurozone since 2014, uncertainties over the impact of Brexit and the ongoing trade and tariffs disputes between China and the United States. The growth of Chinese economy has slowed down since 2012 and such trend may continue. There is considerable uncertainty over the long-term effects of the monetary and fiscal policies adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China. In addition, the trade tension between the United States and China, the drastic drop in oil prices and the U.S. Federal Reserve's fiscal policies to strengthen the market in early 2020 also create uncertainty and challenges to the development of global economic condition. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies, and the expected or perceived overall economic growth rate in China. Any prolonged slowdown in the global or Chinese economy may have a negative impact on individual disposable income and in turn our business, results of operations and financial condition, and continued turbulence in the international capital markets may adversely affect our access to capital markets to meet liquidity needs.

Uncertainties with respect to the PRC legal system could have a material adverse effect on our business, results of operations, financial condition and future prospects, and cause the ADSs to significantly decline in value or become worthless.

We are governed by PRC laws, rules and regulations. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions in a civil law system may be cited as reference but have limited precedential value. The PRC legal system continues to evolve rapidly, the interpretations of such laws and regulations may not always be consistent, and enforcement of these laws and regulations involves significant uncertainties, any of which could limit the available legal protections.

Moreover, developments in the online learning industry and other industries and that we are and will be involved in may lead to changes in PRC laws, regulations and policies or in the interpretation and application thereof. As a result, we may be required by the regulators to upgrade or obtain the licenses, permits, approvals, to complete additional filings or registrations for the products and services we offer, or to modify business practices that may subject us to various penalties, including criminal penalties for individual and entity. We cannot assure you that our business operations would not be deemed to violate any existing or future PRC laws or regulations, which in turn could materially and adversely affect our business operations.

In addition, the PRC administrative and judicial authorities have significant discretion in interpreting, implementing or enforcing statutory rules and contractual terms, and it may be difficult to predict the outcome of administrative and judicial proceedings and the level of legal protection we may enjoy in the PRC. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis, or at all, and may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. In addition, any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Such unpredictability and uncertainties could limit the legal protections available to you

and us, significantly limit or completely hinder our ability to offer or continue to offer the ADSs, cause significant disruption to our business operations, and severely damage our reputation, which would materially and adversely affect our results of operations and financial condition and cause the ADSs to significantly decline in value or become worthless.

These uncertainties may also affect our decisions on the policies and actions to be taken to comply with PRC laws and regulations, and may affect our ability to enforce contractual rights, property (including intellectual property) or tort rights. In addition, the regulatory uncertainties may be exploited through unmerited legal actions or threats in an attempt to extract payments or benefits from us. Such uncertainties may therefore increase the operating expenses and costs, and materially and adversely affect our business and results of operations.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in this prospectus based on foreign laws.

We conduct our business in China and substantially all of our assets are located in China. In addition, all our senior executive officers reside within China for a significant portion of the time and all are PRC nationals. In addition, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Even if you are successful in bringing an action of this kind, PRC laws may render you unable to enforce a judgment against our or the VIE's assets or the assets of our directors and officers. For more information regarding the relevant PRC laws, see "Enforceability of Civil Liabilities."

It may be difficult for overseas regulators to conduct investigation or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For instance, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigations initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the Unities States may not be efficient in the absence of mutual and practical cooperation mechanism.

According to Article 177 of the PRC Securities Law (the "Article 177"), which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Accordingly, without PRC government approval, no entity or individual in China may provide documents and information relating to securities business activities to overseas regulators when it is under direct investigation or evidence discovery conducted by overseas regulators, which could present significant legal and other obstacles to obtaining information needed for investigations and litigation conducted outside of China. The inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests. Furthermore, as the date of this prospectus, there have not been implementing rules or regulations regarding the application of Article 177, it remains unclear as to how it will be interpreted, implemented or applied by relevant government authorities. As such, there are also uncertainties as to the procedures and requisite timing for the oversea securities regulatory agencies to conduct investigations and collect evidence within the territory of the PRC. If the U.S. securities regulatory agencies are unable to conduct such investigations, there exists a risk that they may determine to suspend or de-register our registration with the SEC and may also delist our securities from trading market within the United States.

See also "— Risks Related to the ADSs and This Offering — You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law and our operations are primarily conducted in emerging markets."

Recent litigation and negative publicity surrounding China-based companies listed in the United States may result in increased regulatory scrutiny of us and negatively impact the trading price of the ADSs.

We believe that litigation and negative publicity surrounding companies with operations in China that are listed in the United States have negatively impacted stock prices for such companies. Certain politicians in the United States have publicly warned investors to shun China-based companies listed in the United States. The SEC and the PCAOB also issued a joint statement on April 21, 2020, reiterating the disclosure, financial reporting and other risks involved in the investments in companies that are based in emerging markets as well as the limited remedies available to investors who might take legal action against such companies. Furthermore, various equity-based research organizations have published reports on China-based companies after examining, among other things, their corporate governance practices, related party transactions, sales practices and financial statements that have led to special investigations and listing suspensions on U.S. national exchanges. Any similar scrutiny of us, regardless of its lack of merit, could cause the market price of the ADSs to fall, divert management resources and energy, cause us to incur expenses in defending ourselves against rumors, and increase the premiums we pay for director and officer insurance.

The tension in international trade and rising political tension, particularly between the United States and China, may adversely impact our business, results of operations and financial condition.

Our business could be materially and adversely affected by the tensions in international trade such as the one between the United States and China in recent years. Changes to international trade policies could adversely affect the global economic conditions. In addition, geopolitical tensions between the United States and China have escalated due to, among other things, trade disputes, the COVID-19 outbreak, sanctions imposed by the U.S. Department of Treasury, and the executive orders issued by the U.S. government that may prohibit transactions with certain selected Chinese companies as well as their products and services. Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities between the two major economies. Such tensions involving China, and any escalation thereof, may negatively affect trading and business environments, which may, in turn, adversely impacting our business, results of operations and financial condition.

We rely on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have, and any limitation on the ability of our WFOE to make payments to us could have a material and adverse effect on our ability to conduct our business.

QuantaSing Group Limited is a Cayman Islands holding company with no Chinese operations. We rely on dividends and other distributions on equity paid by our WFOE for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. In the fiscal years ended June 30, 2021 and 2022, the VIE transferred certain cash proceeds to our WFOE as payment of services fees, and our WFOE and the VIE provided certain cash loans to each other, for capital needs or to fund business operation. In the same periods, QuantaSing, our WFOE and subsidiaries in Hong Kong and BVI also received certain capital contribution from each other for restructuring purpose. See “Prospectus Summary — Implications of Being a Company with the Holding Company Structure and the VIE Structure — Cash and asset flows through our organization,” “Prospectus Summary — Summary Consolidated Financial and Operating Data — Consolidated Financial Statements” and “Prospectus Summary — Summary Consolidated Financial and Operating Data — Financial Information Relating to the Affiliated Entities” for details. To the extent our cash or assets in the business are in mainland China or Hong Kong or a mainland China or Hong Kong entity, the funds or assets may not be available to fund operations or for other use outside of mainland China or Hong Kong due to interventions in or the imposition of restrictions and limitations on the ability of QuantaSing Group Limited, our subsidiaries or the affiliated entities to transfer cash or assets. Current PRC regulations permit our WFOE to pay dividends to us only out of their accumulated after-tax profits upon satisfaction of relevant statutory conditions and procedures, if any, determined in accordance with Chinese accounting standards and regulations. In addition, our WFOE is required to set aside at least 10% of its

accumulated profits each year, after making up previous years' accumulated losses, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. For a detailed discussion of applicable PRC regulations governing distribution of dividends, see "Regulation — Regulations on Dividend Distribution." As a result of these laws, rules and regulations, our WFOE is restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends.

While there are currently no such restrictions on foreign exchange and our ability to transfer cash or assets between QuantaSing Group Limited and our Hong Kong subsidiary, if certain PRC laws and regulations, including existing laws and regulations and those enacted or promulgated in the future were to become applicable to our Hong Kong subsidiary in the future, and to the extent our cash or assets are in Hong Kong or a Hong Kong entity, such funds or assets may not be available due to interventions in or the imposition of restrictions and limitations on our ability to transfer funds or assets by the PRC government. Furthermore, we cannot assure you that the PRC government will not intervene or impose restrictions on QuantaSing Group Limited, its subsidiaries and the affiliated entities to transfer or distribute cash within the organization, which could result in an inability of or prohibition on making transfers or distributions to entities outside of mainland China and Hong Kong.

Furthermore, if our WFOE incurs debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. Any limitation on the ability of our WFOE to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. In addition, our WFOE also relies on the service fees paid by the VIE to pay dividends to us. Any limitation on the ability of the VIE to make remittance to our WFOE to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

The Enterprise Income Tax Law enacted by the National People's Congress, which became effective on January 1, 2008, and its implementation rules provide that a withholding tax at a rate of 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless reduced under treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC resident enterprises are tax resident. See "— If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders." Furthermore, the PRC tax authorities may require our WFOE to adjust its taxable income under the contractual arrangements it currently has in place with the VIE in a manner that would materially and adversely affect its ability to pay dividends and other distributions to us.

Any restriction on currency exchange may limit the ability of our WFOE to use their Renminbi revenues to pay dividends to us. The PRC government may continue to strengthen its capital controls and our WFOE' dividends and other distributions may be subject to tightened scrutiny in the future. Any limitation on the ability of our WFOE to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government imposes controls on the convertibility of Renminbi into foreign currencies and the remittance of funds out of China. We receive substantially all of our revenue in Renminbi. Under our current corporate structure, our income is primarily derived from dividend payments from our WFOE. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of the ADSs, if any. Shortages in the availability of foreign currency may restrict

the ability of our WFOE to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments, and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration or filings with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. Pursuant to the SAFE Circular 19, a foreign-invested enterprise may convert up to 100% of the foreign currency in its capital account into Renminbi on a discretionary basis according to the actual needs. The SAFE Circular 16 provides for an integrated standard for conversion of foreign exchange under capital account items on a discretionary basis, which applies to all enterprises registered in China. In addition, the SAFE Circular 16 has narrowed the scope of purposes for which an enterprise must not use the Renminbi funds so converted, which include, among others, (1) payment for expenditure beyond its business scope or otherwise as prohibited by the applicable laws and regulations, (2) investment in securities or other financial products other than banks' principal-secured products, (3) provision of loans to non-affiliated enterprises, except where it is expressly permitted in the business scope of the enterprise, and (4) construction or purchase of real properties for use by third parties, except for real estate developers. The PRC government may at its discretion further restrict access to foreign currencies for current account transactions or capital account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency needs, we may not be able to pay dividends in foreign currencies to our shareholders. Further, there is no assurance that new regulations will not be promulgated in the future that would have the effect of further restricting the remittance of Renminbi into or out of China.

China's M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The M&A Rules and some other regulations and rules concerning mergers and acquisitions established complex procedures and requirements for acquisition of Chinese companies by foreign investors, including requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-monopoly Law promulgated by the SCNPC requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the anti-monopoly enforcement agency before they can be completed. In addition, the Measures for the Security Review of Foreign Investment promulgated by the NDRC and MOFCOM in December 2020 specify that foreign investments in military, national defense-related areas or in locations in proximity to military facilities, or foreign investments that would result in acquiring the actual control of assets in certain key sectors, such as critical agricultural products, energy and resources, equipment manufacturing, infrastructure, transport, cultural products and services, information technology, internet products and services, financial services and technology sectors, are required to obtain approval from designated government authorities in advance.

In the future, we may pursue potential strategic acquisitions that are complementary to our business. Complying with the requirements of the above-mentioned regulations and other rules to complete such transactions could be time-consuming, and any required approval processes may delay or inhibit our ability to complete such transactions, which could affect our ability to expand business or maintain market share. Furthermore, there is a possibility that the PRC regulators may promulgate new rules or explanations requiring that we obtain the approval of MOFCOM or other PRC government authorities for our mergers and acquisitions. There is no assurance that we can obtain such approval from MOFCOM or any other relevant PRC government authorities for our or the VIE's mergers and acquisitions. Any uncertainties regarding such approval requirements could have a material adverse effect on our business and results of operations and our corporate structure.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our WFOE, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

QuantaSing Group Limited is a Cayman Islands holding company. We conduct our operations in China through our WFOE and the affiliated entities. We may make loans to our WFOE or the VIE subject to the approval from or registration with government authorities and limitation on amount, or we may make additional capital contributions to our WFOE. Any loan to our WFOE is required to be registered with SAFE or its local branches.

SAFE promulgated the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (the "SAFE Circular 19"), effective from June 2015, in replacement of a former regulation. According to SAFE Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that RMB capital may not be used for the issuance of RMB entrusted loans, the repayment of inter-enterprise loans or the repayment of bank loans that have been transferred to a third party. Although SAFE Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within China, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in China in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (the "SAFE Circular 16"), effective from June 2016, which reiterates some of the rules set forth in SAFE Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. The SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from this offering, to our WFOE, which may adversely affect our liquidity and our ability to fund and expand our business in China. On October 23, 2019, the SAFE promulgated the Circular of Further Facilitating Cross-border Trade and Investment (the "SAFE Circular 28") which, among other things, allows all foreign-invested companies to use Renminbi converted from foreign currency-denominated capital for equity investments in China, as long as the equity investment is genuine, does not violate applicable laws, and complies with the negative list on foreign investment. On April 10, 2020, the SAFE promulgated the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (the "SAFE Circular 8"), under which eligible enterprises are allowed to make domestic payments by using their capital funds, foreign loans and the income under capital accounts of overseas listing without providing the evidentiary materials concerning authenticity of each expenditure in advance, provided that their capital use shall be authentic and conforms to the prevailing administrative regulations on the use of income under capital accounts. However, since the SAFE Circular 28 and SAFE Circular 8 are newly promulgated, it is unclear how SAFE and competent banks will carry this out in practice.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, or at all, with respect to future loans by us to our WFOE or the VIE or their subsidiaries or with respect to future capital contributions by us to our WFOE. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from our initial public offering and to capitalize or otherwise fund the PRC operations may be negatively affected, which could materially and adversely affect our liquidity and the ability to fund and expand our business.

PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may subject our PRC resident beneficial owners or our WFOE to liability or penalties, limit our ability to inject capital into our WFOE, limit our WFOE's ability to increase its registered capital or distribute profits to us, or may otherwise adversely affect us.

SAFE promulgated the SAFE Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (the "SAFE Circular 37") in July 2014. SAFE Circular 37 requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing with such PRC residents or entities' legally owned assets or equity interests in domestic enterprises or offshore assets or interests. On February 13, 2015, SAFE issued Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment (the "SAFE Circular 13"), effective on June 1, 2015, pursuant to which the power to accept SAFE registration was delegated from local SAFE to local qualified banks where the assets or interest in the domestic entity was located. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions.

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our WFOE may be prohibited from distributing its profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our WFOE. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions. In addition, our shareholders who are PRC entities shall complete their overseas direct investment filings according to applicable laws and regulations regarding the overseas direct investment by PRC entities, including filings with MOFCOM, the NDRC, or their local branches based on the investment amount, invested industry or other factors thereof.

We have used our best efforts to notify PRC residents or entities who directly or indirectly hold shares in our Cayman Islands holding company and who are known to us as being PRC residents or entities to complete the foreign exchange registrations or overseas direct investment filings. However, we may not at all times be fully aware or informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As of the date of this prospectus, Mr. Peng Li, being the relevant beneficial shareholder of our company, has completed the initial registrations with the local SAFE branch or qualified banks as required by SAFE Circular 37. We cannot assure you that all other shareholders or beneficial owners of ours who are PRC residents or entities have complied with, and will in the future make, obtain or update any applicable registrations, filings or approvals required by SAFE regulations or other regulations relating to overseas investment activities issued by MOFCOM and NDRC. Failure by such shareholders or beneficial owners to comply with such regulations, or failure by us to amend the foreign exchange registrations of our WFOE, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our WFOE's ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

If we fail to comply with PRC regulations regarding the registration requirements for employee stock ownership plans or share option plans, the PRC plan participants or we could be subject to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (the "SAFE Circular 7). Pursuant to SAFE Circular 7, directors, supervisors, senior management and other employees participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, are

required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiary of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options are subject to these regulations as our company has become an overseas-listed company. Failure to complete SAFE registrations may subject them to fines of up to RMB50,000 for individuals and may also limit our ability to contribute additional capital into our WFOE and our WFOE' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors, executive officers and employees under PRC law. See "Regulation — Regulations on Foreign Exchange — Regulations relating to stock incentive plans."

In addition, the Ministry of Finance and the State Administration of Taxation (the "SAT") have issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our WFOE has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options or are granted restricted share. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within China is considered a "resident enterprise" and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the SAT issued the Circular Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (the "SAT Circular 82"), which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners like us, the criteria set forth in the circular may reflect SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (1) the primary location of the day-to-day operational management is in China; (2) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in China; (3) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in China; and (4) at least 50% of voting board members or senior executives habitually reside in China.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that our company or any of our subsidiaries outside of China is a PRC resident enterprise for enterprise income tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and we will be required to comply with PRC enterprise income tax reporting obligations. In addition, non-resident enterprise shareholders (including the ADS holders) may be

subject to PRC tax at a rate of 10% on gains realized on the sale or other disposition of ADSs or our ordinary shares, if such income is treated as sourced from within China. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders (including the ADS holders) and any gain realized on the transfer of ADSs or our ordinary shares by such shareholders may be subject to PRC tax at a rate of 10% in the case of non-PRC enterprises or a rate of 20% in the case of non-PRC individuals unless a reduced rate is available under an applicable tax treaty. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs.

In addition to the uncertainty as to the application of the "resident enterprise" classification, we cannot assure you that the PRC government will not amend or revise the taxation laws, rules and regulations to impose stricter tax requirements or higher tax rates. Any of such changes could materially and adversely affect our results of operations and financial condition.

We face uncertainties with respect to indirect transfer of equity interests in PRC resident enterprises by their non-PRC holding companies.

On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (the "SAT Bulletin 7"). SAT Bulletin 7 extends its tax jurisdiction to transactions involving the transfer of taxable assets through offshore transfer of a foreign intermediate holding company. In addition, SAT Bulletin 7 provides certain criteria on how to assess reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Bulletin 7 also brings challenges to both foreign transferor and transferee (or other person who is obligated to pay for the transfer) of taxable assets. On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source (the "SAT Bulletin 37"), which came into effect on December 1, 2017. SAT Bulletin 37 further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an indirect transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such indirect transfer to the relevant tax authority. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. For transfer of shares in our company by investors who are non-PRC resident enterprises, our WFOE may be requested to assist in the filing under SAT Bulletin 7 and/or SAT Bulletin 37. As a result, we may be required to expend valuable resources to comply with SAT Bulletin 7 and/or SAT Bulletin 37, or to establish that we and our non-PRC resident investors should not be taxed under these circulars, which may have a material and adverse effect on our results of operations and financial condition.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under PRC laws, legal documents for corporate transactions are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with the

relevant branch of the SAMR. Although we usually utilize chops to enter into contracts, the designated legal representatives of our WFOE and the VIE have the apparent authority to enter into binding contracts on behalf of these entities without chops. In order to maintain the physical security of our chops, we generally have them stored in secure locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for instance, by entering into a contract not approved by us or the VIE, or seeking to gain control of any of our subsidiary or the VIE. If any employee obtains, misuses or misappropriates corporate chops and seals or other controlling non-tangible assets for whatever reason, the business operations of the relevant entities could be disrupted. We may have to take corporate or legal action to seek the return of the chops, apply for new chops with the relevant authorities, or otherwise seek legal redress for the violation of the representative's fiduciary duties against us, which could involve significant time and resources to resolve and divert management attention from business operations. In addition, the affected entity may not be able to recover corporate assets that are sold or transferred out of our control in the event of such a misappropriation if a transferee relies on the apparent authority of the representative and acts in good faith.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The conversion of Renminbi into foreign currencies, including the U.S. dollar, is based on rates set by the People's Bank of China. The Renminbi has fluctuated against the U.S. dollar and other currencies, at times significantly and unpredictably. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar and other currencies in the future. It is difficult to predict how market forces or PRC, or U.S. government policy may impact the exchange rate between Renminbi and U.S. dollar in the future.

Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, the ADSs in U.S. dollars. For instance, to the extent that we or the VIE need to convert U.S. dollars we receive into Renminbi to pay our operating expenses, appreciation of Renminbi against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings, which in turn could adversely affect the price of the ADSs.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. As of the date of this prospectus, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure, or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

Risks Related to the ADSs and this Offering

An active trading market for our ordinary shares or the ADSs may not develop and the trading price for the ADSs may fluctuate significantly.

We have applied for listing the ADSs on the Nasdaq Stock Market. We have no current intention to seek a listing for our ordinary shares on any stock exchange. Prior to the completion of this offering, there has been no public market for the ADSs or our ordinary shares, and we cannot assure you that a liquid public market for the ADSs will develop. If an active public market for the ADSs does not develop following the completion of this offering, the market price and liquidity of the ADSs may be materially and adversely affected. The initial public offering price for the ADSs was determined by negotiation between us and the underwriters based upon several

factors, and we cannot assure you that the trading price of the ADSs after this offering will not decline below the initial public offering price. As a result, investors in our securities may experience a significant decrease in the value of their ADSs and may not be able to resell ADSs at or above the price they paid, or at all.

The trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors.

The trading price of the ADSs is likely to be volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, including the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have listed their securities in the United States. In addition to market and industry factors, the price and trading volume for the ADSs may be highly volatile for factors specific to our operations including the following:

- actual or anticipated variations in our revenues, earnings, cash flow and changes or revisions of our expected results;
- fluctuations in operating metrics;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures by us or our competitors;
- announcements of new products, services and courses and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- announcements of studies and reports relating to the quality of our product, service and course offerings or those of our competitors;
- changes in the performance or market valuations of other online learning companies;
- detrimental negative publicity about us, our competitors or our industry;
- additions or departures of key personnel;
- release of lockup or other transfer restrictions on our outstanding equity securities or sales of additional equity securities;
- regulatory developments affecting us or our industry;
- general economic or political conditions affecting China or elsewhere in the world;
- fluctuations of exchange rates between the RMB and the U.S. dollar; and
- potential litigation or regulatory investigations.

Any of these factors may result in large and sudden changes in the volume and price at which the ADSs will trade. The securities of some China-based companies that have listed their securities in the United States have experienced significant volatility since their initial public offerings in recent years, including, in some cases, substantial declines in the trading prices of their securities. The trading performances of these companies' securities after their offerings may affect the attitudes of investors towards Chinese companies listed in the United States in general, which consequently may impact the trading performance of the ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or other matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have engaged in any inappropriate activities. In particular, the global financial crisis, the ensuing economic recessions and deterioration in the credit market in many countries have contributed and may continue to contribute to extreme volatility in the global stock markets. These broad market and industry fluctuations may adversely affect the market price of the ADSs. Volatility or a lack of positive performance in the ADS price may also adversely affect our ability to retain key employees, many of whom have been granted equity incentives.

In the past, shareholders of public companies have often brought securities class action suits against companies following periods of instability in the market price of their securities. If we were involved in a class action suit, it could divert a significant amount of our management's attention and other resources from our business and require us to incur significant expenses to defend the suit, which could harm our results of operations. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our results of operations and financial condition.

We are an emerging growth company within the meaning of the Securities Act of 1933, and may take advantage of certain reduced reporting requirements. We cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make the ADSs less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may choose to take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies, including, but not limited to:

- not being required to engage an auditor to report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002;
- not being required to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements (i.e., an auditor discussion and analysis);
- not being required to submit certain executive compensation matters to stockholder advisory votes, such as "say-on-pay," "say-on-frequency," and "say-on-golden-parachutes"; and
- not being required to disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the chief executive officer's compensation to median employee compensation.

In addition, as an emerging growth company, we are only required to provide two years of audited financial statements and two years of selected financial data (in addition to any required interim financial statements and selected financial data) in our annual reports, and to present correspondingly reduced disclosure in "Management's Discussion and Analysis of Financial Condition and Results of Operations."

We have elected to take advantage of the reduced disclosure obligations as an emerging growth company. As a result, the information that we provide to the ADS holders may be different than the information you might receive from other public reporting companies in which you hold equity interests. In addition, the JOBS Act permits emerging growth companies to delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our consolidated financial statements and the reported results of operations contained therein may not be directly comparable to those of other public companies. We cannot predict whether investors will find our securities less attractive because of our reliance on these exemptions. If some investors do find the ADSs less attractive, there may be a less active trading market for the ADSs and the price of the ADSs may be reduced or more volatile.

We will remain an emerging growth company, and will be able to take advantage of the foregoing exemptions, until the last day of our fiscal year following the fifth anniversary of the closing of our initial public offering or such earlier time that we otherwise cease to be an emerging growth company, which will occur upon the earliest of (1) the last day of the first fiscal year in which our annual gross revenues are US$1.07 billion or more; (2) the date on which we have, during the previous three-year period, issued more than US$1.0 billion in

non-convertible debt securities; and (3) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Exchange Act.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

We have become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the Nasdaq Stock Market, impose various requirements on the corporate governance practices of public companies. We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly.

As a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we will incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs.

In addition, after we are no longer an "emerging growth company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to U.S. domestic public companies.

Because we qualify as a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD; and
- certain audit committee independence requirements in Rule 10A-3 of the Exchange Act.

We will be required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the Nasdaq Stock Market. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline.

The trading market for the ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade the ADSs, the market price for the ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for the ADSs to decline.

Techniques employed by short sellers may drive down the market price of the ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies listed in the United States that have a substantial majority of their operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

We may be the subject of unfavorable allegations made by short sellers in the future. Any such allegations may be followed by periods of instability in the market price of our ordinary shares and ADSs and negative publicity. If and when we become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable federal or state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business and shareholders' equity, and the value of any investment in the ADSs could be greatly reduced or rendered worthless.

Because the initial public offering price is substantially higher than the pro forma net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately US$, representing the difference between (1) the initial public offering price of US$ per ADS, which is the midpoint of the initial public offering price range set forth on the front cover of this prospectus, and (2) our adjusted net tangible book value of US$ per ADS, after giving effect to our sale of the ADSs offered in this offering. In addition, you may experience further dilution t in connection with the issuance of Class A ordinary shares upon the exercise or vesting, as the case may be, of our share incentive awards when we grant such share-based awards. To the extent that any of these options are vested and exercised, there will be further dilution to new investors. See "Dilution" for a more complete description of how the value of your investment in the ADSs will be diluted upon completion of this offering.

The sale or availability for sale of substantial amounts of the ADSs could adversely affect their market price.

Sales of substantial amounts of the ADSs in the public market after the completion of this offering, or the perception that these sales could occur, could adversely affect the market price of the ADSs and could materially impair our ability to raise capital through equity offerings in the future. The ADSs sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act"), and shares held by our existing shareholders may also be sold in the public market in the future subject to the restrictions in Rule 144 and Rule 701 under the Securities Act and the applicable lock-up agreements. There will be ADSs (equivalent to Class A ordinary shares) outstanding immediately after this offering, or ADSs (equivalent to Class A ordinary shares) if the underwriters exercise their option to purchase additional ADSs in full. In connection with this offering, we, our directors and executive officers, and existing shareholders have agreed not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of [180] days after the date of this prospectus without the prior written consent of the underwriters, subject to certain exceptions. However, the underwriters may release these securities from these restrictions at any time, subject to applicable regulations of the Financial Industry Regulatory Authority, Inc.

After completion of this offering, certain shareholders may cause us to register under the Securities Act the sale of their shares, subject to the 180-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of such registration. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the market price of the ADSs. See "Underwriting" and "Shares Eligible for Future Sale" for a more detailed description of the restrictions on selling our securities after this offering.

In addition, as of the date of this prospectus, we have granted certain options to employees under our share incentive plans, which are not exercised as of the date of this prospectus. We may grant additional options or share-based awards to employees, directors and consultants in the future. To the extent that any of these options are vested and exercised, and any of such shares are sold in the market, it could have an adverse effect on the market price of the ADSs.

Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our authorized share capital is and will continue to be divided into Class A ordinary shares and Class B ordinary shares after this offering (with certain shares remaining undesignated, with power for our directors to designate and issue such classes of shares as they think fit). Holders of Class A ordinary shares are and will continue to be entitled to one vote per share, while holders of Class B ordinary shares are and will continue to be entitled to ten votes per share. We will issue Class A ordinary shares represented by the ADSs in this offering. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. After this offering, the holder of Class B ordinary shares will have the ability to control matters requiring shareholders' approval, including any amendment of our memorandum and articles of association. Any future issuances of Class B ordinary shares may be dilutive to the voting power of holders of Class A ordinary shares. Any conversions of Class B ordinary shares into Class A ordinary shares may dilute the percentage ownership of the existing holders of Class A ordinary shares within their class of ordinary shares. Such conversions may increase the aggregate voting power of the existing holders of Class A ordinary shares. In the event that we have multiple holders of Class B ordinary shares in the future and certain of them convert their Class B ordinary shares into Class A ordinary shares, the remaining holders who retain their Class B ordinary shares may experience increases in their relative voting power.

Upon the completion of this offering, Mr. Peng Li, will beneficially own all of our issued Class B ordinary shares. These Class B ordinary shares will constitute % of our total issued and outstanding share capital immediately after the completion of this offering and % of the aggregate voting power of our total issued and outstanding share capital immediately after the completion of this offering due to the disparate voting powers associated with our dual-class share structure, assuming the underwriters do not exercise their option to purchase additional ADSs. As a result of the dual-class share structure and the concentration of ownership, holders of Class B ordinary shares have and will continue to have considerable influence over matters such as decisions regarding mergers and consolidations, election of directors and other significant corporate actions. Such holders may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the ADSs. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

Our founder, Mr. Peng Li, will have considerable influence over us and our corporate matters.

Upon completion of this offering, assuming the underwriters do not exercise their option to purchase additional ADSs, our founder, Mr. Peng Li, will hold all of our issued and outstanding Class B ordinary shares, representing % of our total voting power. Mr. Peng Li will have considerable power to control actions that require shareholder approval under Cayman Islands law, such as electing directors, approving material mergers, acquisitions or other business combination transactions and amending our memorandum and articles of association. This control will limit your ability to influence corporate matters and may prevent transactions that would be beneficial to you, including discouraging others from pursuing any potential merger, takeover or other change of control transactions, which could have the effect of depriving the holders of our Class A ordinary shares and the ADSs of the opportunity to sell their shares at a premium over the prevailing market price.

The dual-class structure of our ordinary shares may adversely affect the trading market for the ADSs.

Certain shareholder advisory firms have announced changes to their eligibility criteria for inclusion of shares of public companies on certain indices, including the S&P 500, to exclude companies with multiple classes of shares and companies whose public shareholders hold no more than 5% of total voting power from being added to such indices. In addition, several shareholder advisory firms have announced their opposition to the use of multiple class structures. As a result, the dual class structure of our ordinary shares may prevent the inclusion of the ADSs representing Class A ordinary shares in such indices and may cause shareholder advisory firms to publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any such exclusion from indices could result in a less active trading market for the ADSs. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of the ADSs.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of the ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in the ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no

circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in the ADSs will likely depend entirely upon any future price appreciation of the ADSs. There is no guarantee that the ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in the ADSs and you may even lose your entire investment in the ADSs.

We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree.

We have not determined a specific use for a portion of the net proceeds of this offering, and our management will have considerable discretion in deciding how to apply these proceeds, including for any of the purposes described in the section entitled "Use of Proceeds." Because of the number and variability of factors that will determine our use of our net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. This creates uncertainty for the ADS holders and could affect our business, prospects, results of operations and financial condition. You will not have the opportunity to assess whether the proceeds are being used appropriately before you make your investment decision. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. We cannot assure you that the net proceeds will be used in a manner that will improve our results of operations or increase the ADS price, nor that these net proceeds will be placed only in investments that generate income or appreciate in value.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law and our operations are primarily conducted in emerging markets.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our post-offering memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions in the United States. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have the standing to initiate a shareholder derivative action in a federal court of the United States.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies (save for our memorandum and articles of association, our register of mortgages and charges and special resolutions of our shareholders). Our directors have discretion under our amended and restated articles of association that will become effective immediately prior to completion of this offering to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

We conduct our business in China and substantially all of our assets are located in China. The SEC, U.S. Department of Justice and other authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain emerging markets, including China. Additionally, our public shareholders may have limited rights and few practical remedies in China, as shareholder claims that are common in the United States, including class action securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many emerging markets, including China.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of our board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see "Description of Share Capital — Differences in Corporate Law."

As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices for corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance listing standards.

As a Cayman Islands exempted company listed on the Nasdaq Stock Market, we are subject to the Nasdaq Stock Market listing standards, which requires listed companies to have, among other things, a majority of their board members to be independent and independent director oversight of executive compensation and nomination of directors. However, the Nasdaq Stock Market rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the Nasdaq Stock Market listing standards.

We are permitted to elect to rely on home country practice to be exempted from the corporate governance requirements. We currently intend to follow Cayman Islands corporate governance practices in lieu of the corporate governance standards of the Nasdaq Stock Market that listed companies must: (1) have a majority of independent directors, (2) have a nominating/corporate governance committee composed entirely of independent directors, (3) have an audit committee composed of at least three members, (4) obtain shareholders' approval for issuance of securities in certain situations, and (5) hold annual shareholders' meetings. To the extent that we choose to follow home country practice, our shareholders may be afforded less protection than they would otherwise enjoy if we complied fully with the Nasdaq Stock Market listing standards.

Certain judgments obtained against us by our shareholders may not be enforceable.

We conduct our business in China and substantially all of our assets are located in China. In addition, most of our current directors and senior executive officers are nationals and residents of jurisdictions other than the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the United States in the event that you believe that your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the PRC laws and the laws of the Cayman Islands may render you unable to enforce a judgment against our assets or the assets of our directors and officers. For more information regarding the relevant laws of the Cayman Islands and China, see "Enforceability of Civil Liabilities."

We will be a "controlled company" within the meaning of the Nasdaq Stock Market listing rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

We will be a "controlled company" as defined under the Nasdaq Stock Market listing rules because Mr. Peng Li, our founder, will continue to control more than 50% of our total voting power immediately after the

completion of this offering. Pursuant to our post-offering memorandum and articles of association, an ordinary resolution to be passed at a shareholders' meeting requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding and issued ordinary shares cast at a meeting. A special resolution will be required for important matters such as making changes to our post-offering memorandum and articles of association. As a result, Mr. Peng Li will have the ability to control or significantly influence the outcome of matters requiring approval by shareholders. In addition, for so long as we remain a controlled company under that definition, we are permitted to elect to rely on, and may rely on, certain exemptions from corporate governance rules, including an exemption from the rule that a majority of our board of directors must be independent directors. We do not currently plan to utilize the exemptions available for controlled companies after we complete this offering, but instead, we plan to rely on the exemption available for foreign private issuers to follow our home country governance practices. See "— Risks Related to the ADSs and this Offering — As an exempted company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices for corporate governance matters that differ significantly from the Nasdaq Stock Market corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the corporate governance listing standards." If we cease to be a foreign private issuer or if we cannot rely on the home country governance practice exemptions for any reason, we may decide to invoke the exemptions available for a controlled company as long as we remain a controlled company. As a result, you will not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

We may not be able to satisfy listing requirements of the Nasdaq Stock Market or obtain or maintain a listing of the ADSs on the Nasdaq Stock Market.

If the ADSs are listed on the Nasdaq Stock Market, we must meet certain financial and liquidity criteria to maintain such listing. If we violate the Nasdaq Stock Market's listing requirements, or if we fail to meet any of the Nasdaq Stock Market's listing standards, the ADSs may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. The delisting of the ADSs from the Nasdaq Stock Market could significantly impair our ability to raise capital and the value of your investment.

You, as holders of ADSs, may have fewer rights than holders of our ordinary shares and must act through the depositary to exercise those rights.

Holders of ADSs do not have the same rights as our registered shareholders. As a holder of the ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights that are carried by the underlying Class A ordinary shares represented by your ADSs indirectly in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will try, as far as is practicable, to vote the underlying Class A ordinary shares represented by your ADSs in accordance with your instructions. If we ask for your instructions, then upon receipt of your voting instructions, the depositary will try to vote the underlying Class A ordinary shares represented by your ADSs in accordance with these instructions. If we do not instruct the depositary to ask for your instructions, the depositary may still vote in accordance with instructions you give, but it is not required to do so. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares represented by your ADSs unless you withdraw such ordinary shares and become the registered holder of such shares prior to the record date for the general meeting.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to vote your Class A ordinary shares.

As a holder of the ADSs, you will only be able to exercise the voting rights with respect to the underlying Class A ordinary shares represented by your ADSs in accordance with the provisions of the deposit agreement.

Under the deposit agreement, you must vote by giving voting instructions to the depositary. Upon receipt of your voting instructions, the depositary will vote the underlying Class A ordinary shares represented by your ADSs in accordance with these instructions. You will not be able to directly exercise your right to vote with respect to the underlying Class A ordinary shares represented by your ADSs unless you cancel and withdraw such ordinary shares. Under our second amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering, the minimum notice period required for convening a general meeting is ten calendar days. When a general meeting is convened, you may not receive sufficient advance notice to withdraw the underlying Class A ordinary shares represented by your ADSs to allow you to vote with respect to any specific matter. If we ask for your instructions, the depositary will notify you of the upcoming vote and will arrange to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying Class A ordinary shares represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to vote and you may have no legal remedy if the underlying Class A ordinary shares represented by your ADSs are not voted as you requested.

The depositary for the ADSs will give us a proxy to a person designated by us to vote our Class A ordinary shares represented by your ADSs in a manner consistent with the recommendation(s) made by our board of directors as set forth in the proxy statement or other voting materials in connection with the matter(s) submitted for voting if you do not vote at shareholders' meetings or if the depositary or we do not receive timely voting instructions from you, except in limited circumstances, which could adversely affect your interests.

Under the deposit agreement for the ADSs, if you do not vote at shareholders' meetings or if the depositary or we do not receive timely voting instructions from you, the depositary may give us a proxy to a person designated by us to vote the underlying Class A ordinary shares represented by the ADSs at shareholders' meetings in a manner consistent with the recommendation(s) made by our board of directors as set forth in the proxy statement or other voting materials in connection with the matter(s) submitted for voting if we have timely provided the depositary with notice of meeting and related voting materials and (1) we have instructed the depositary that we wish a proxy to our board of directors to be given, (2) we have informed the depositary that there is no substantial opposition as to a matter to be voted on at the meeting, and (3) a matter to be voted on at the meeting would not have an adverse impact on shareholders.

The effect of this proxy is that you cannot prevent the underlying Class A ordinary shares represented by the ADSs from being voted, except under the circumstances described above. This may make it more difficult for holders to influence the management of the company. Holders of ordinary shares are not subject to this proxy.

You may not receive distributions on the ADSs or any value for them if such distribution is illegal or impractical or if any required government approval cannot be obtained in order to make such distribution available to you.

Although we do not have any present plan to pay any dividends, the depositary of ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying the ADSs, after deducting its fees and expenses and any applicable taxes and governmental charges. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For instance, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities whose offering would require registration under the Securities Act but are not so properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not reasonably practicable to distribute certain property. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under the U.S. securities laws any offering of ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value

for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of the ADSs.

We and the depositary are entitled to amend the deposit agreement and to change the rights of ADSs holders under the terms of such agreement, and we may terminate the deposit agreement, without the prior consent of the ADSs holders.

We and the depositary may amend or terminate the deposit agreement without your consent. Such amendment or termination may be done in favor of our company. Holders of the ADSs, subject to the terms of the deposit agreement, shall be given at least 30 days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination. After instructing its custodian to deliver all ordinary shares to us along with a general stock power that refers to the names set forth on the ADR register maintained by the depositary and providing us with a copy of the ADR register maintained by the depositary, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs and shall cease to have any obligations under the deposit agreement and/or the ADRs. See "Description of American Depositary Shares" for more information.

You may experience dilution of your holdings due to inability to participate in rights offerings.

We may, from time to time, distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary will not make rights available to you unless either both the rights and any related securities are registered under the Securities Act, or the distribution of them to ADS holders is exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. If the depositary does not distribute the rights, it may, under the deposit agreement, either sell them, if possible, or allow them to lapse. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing our ADSs provides that, to the extent permitted by law, holders of our ADSs waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to the ADSs or the deposit agreement, including any claim under U.S. federal securities laws. However, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. In fact, you cannot waive our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.

If we or the depositary oppose a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. The deposit agreement governing our ADSs provides that, (1) the deposit agreement and the ADSs will be interpreted in accordance with the laws of the State of New York, and (2) as an owner of ADSs, you irrevocably agree that any legal action arising out of the deposit agreement and the ADSs involving us or the depositary may only be instituted in a state or federal court in the city of New York. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily has waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before investing in the ADSs.

If you or any other holders or beneficial owners of ADSs, including purchasers of ADSs in secondary market transactions, bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of increasing the cost of bringing a claim and limiting and discouraging lawsuits against us and the depositary. If a lawsuit is brought against either or both of us and the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including results that could be less favorable to the plaintiffs in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

Moreover, as the enforcement provisions in the deposit agreement, including the jury trial waiver, relate to claims arising out of or relating to the ADSs or the deposit agreement, we believe that, as a matter of construction of the clause, the enforcement provisions would likely continue to apply to ADS holders who withdraw the Class A ordinary shares from the ADS facility with respect to claims arising before the cancelation of the ADSs and the withdrawal of the Class A ordinary shares, and the enforcement provisions would most likely not apply to ADS holders who subsequently withdraw the Class A ordinary shares represented by ADSs from the ADS facility with respect to claims arising after the withdrawal. However, to our knowledge, there has been no case law on the applicability of the jury trial waiver to ADS holders who withdraw the Class A ordinary shares represented by the ADSs from the ADS facility.

Your rights to select a judicial venue for legal actions are limited by the terms of the deposit agreement and the deposit agreement may be amended or terminated without your consent.

Under the deposit agreement, any legal suit, action or proceeding against or involving us or the depositary, arising out of or relating in any way to the deposit agreement or the transactions contemplated thereby or by virtue of owning the ADSs may only be instituted in the United States District Court for the Southern District of New York (or, if the Southern District of New York lacks subject matter jurisdiction over a particular dispute, in the state courts of New York County, New York), and a holder of the ADSs, will have irrevocably waived any objection which such holder may have to the laying of venue of any such proceeding, and irrevocably submitted to the exclusive jurisdiction of such courts in any such action or proceeding. However, the enforceability of similar federal court choice of forum provisions in other companies' organizational documents has been challenged in legal proceedings in the United States, and it is possible that a court could find this type of

provision to be inapplicable or unenforceable. Accepting or consenting to this forum selection provision does not represent you are waiving compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder. Furthermore, investors cannot waive compliance with the U.S. federal securities laws and rules and regulations promulgated thereunder.

[We may be a passive foreign investment company, which could result in adverse U.S. federal income tax consequences to U.S. investors owning the ADSs or our Class A ordinary shares.

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company ("PFIC"), for U.S. federal income tax purposes, for any taxable year if either (1) at least 75% of its gross income for such year consists of certain types of "passive" income; or (2) at least 50% of the value of its assets (generally determined on the basis of a quarterly average) during such year is attributable to assets that produce passive income or are held for the production of passive income. For purposes of making a PFIC determination, the non-U.S. corporation will be treated as owning its proportionate share of the assets and earning its proportionate share of the gross income of any other corporation in which it owns, directly or indirectly, more than 25% (by value) of the stock. Although the law in this regard is not entirely clear, we treat the affiliated entities as being owned by us for U.S. federal income tax purposes because we control their management decisions and are entitled to substantially all of the economic benefits associated with them. As a result, we consolidate their financial results in our consolidated U.S. GAAP financial statements. If it were determined, however, that we are not the owner of the affiliated entities for U.S. federal income tax purposes, we may be or become a PFIC for the current taxable year and any subsequent taxable year. Assuming that we are the owner of the affiliated entities for U.S. federal income tax purposes, and based on the current and anticipated value of our assets and composition of our income and assets (taking into account the expected cash proceeds from, and our anticipated market capitalization following, this offering), we do not expect to be a PFIC for the current taxable year or the foreseeable future.

No assurance can be given in this regard because the determination of whether we are or will become a PFIC for any taxable year is a fact-intensive inquiry made annually that depends, in part, upon the composition of our income and assets. Additionally, fluctuations in the market price of the ADSs may cause us to be or become a PFIC for the current or subsequent taxable years because the value of our assets for the purpose of the asset test, including the value of our goodwill and other intangibles, may generally be determined by reference to the market price of the ADSs from time to time (which may be volatile). The composition of our income and assets may also be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering.

If we were to be or become a PFIC for any taxable year during which a U.S. Holder (as defined in "Taxation — United States Federal Income Taxation") holds the ADSs or Class A ordinary shares, certain adverse U.S. federal income tax consequences could apply to such U.S. Holder. See "Taxation — United States Federal Income Taxation — Passive foreign investment company considerations."]

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our results of operations, financial condition, business strategy and financial needs. These forward-looking statements include statements relating to:

- our mission, goals and strategies;
- our future business development, financial condition and results of operations;
- the expected growth of China's online learning industry;
- our expectations regarding demand for and market acceptance of our solutions;
- competition in our industry;
- our proposed use of proceeds; and
- relevant government policies and regulations relating to our industry.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should read thoroughly this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. The online learning industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of the ADSs. In addition, the rapidly evolving nature of this industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$ million, or approximately US$ million if the underwriters exercise their option to purchase additional ADSs in full, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price set forth on the front cover of this prospectus.

A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) the net proceeds to us from this offering by US$ million, or by US$ if the underwriters exercise their option to purchase additional ADSs in full, assuming the number of ADSs offered by us, as set forth on the front cover of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us.

The primary purposes of this offering are to increase our financial flexibility, create a public market for our Class A ordinary shares represented by the ADSs for the benefit of all shareholders, retain talented employees by providing them with equity incentives, obtain additional capital, and enhance our market visibility and brand exposure. We, together with the VIE, plan to use the net proceeds of this offering as follows:

- approximately 30%, or US$, for improving the learning experience of our learners and our content development capability;
- approximately 20%, or US$, for broadening our service offerings and expanding our services oversea;
- approximately 20%, or US$, for improving our technology infrastructures;
- approximately 20%, or US$, for marketing and brand promotion;
- approximately 10%, or US$, for general corporate purposes and working capital.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant discretion and flexibility to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See “Risk Factors — Risks Related to the ADSs and this Offering — We have not determined a specific use for a portion of the net proceeds from this offering, and we may use these proceeds in ways with which you may not agree.”

To the extent that the net proceeds we receive from this offering are not immediately applied for the above purposes, we may invest the net proceeds in short-term, interest-bearing debt instruments or bank deposits.

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our WFOE only through capital contributions or loans and to the VIE only through loans, subject to satisfaction of applicable government registration and approval requirements as well as the laws and regulations on the conversion from U.S. dollars into Renminbi. We expect a significant portion of the proceeds from this offering will be used in China in Renminbi. We will also need to convert any capital contributions to our WFOE or loans to our WFOE and the VIE from U.S. dollars to Renminbi. We cannot assure you that we will be able to obtain these government registrations or approvals in a timely manner, if at all. Any failure will delay or prevent us from applying the net proceeds from this offering to our WFOE and VIE. See “Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our WFOE, which could materially and adversely affect our liquidity and our ability to fund and expand our business.”

DIVIDEND POLICY

Our board of directors has complete discretion in deciding the payment of any future dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Under Cayman Islands law, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. The declaration and payment of dividends will depend upon, among other things, our future operations and earnings, capital requirements and surplus, our financial condition, contractual restrictions, general business conditions and other factors as our board of directors may deem relevant. See "Description of Share Capital — Our Post-offering Memorandum and Articles of Association — Dividends."

We have not declared or paid any dividends. We do not have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future after this offering. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

QuantaSing Group Limited is a holding company incorporated in the Cayman Islands. For our cash requirements, including any payment of dividends to our shareholders, we rely upon payments from our WFOE. PRC regulations may restrict the ability of our WFOE to pay dividends to us. See "Risk Factors — Risks Related to Doing Business in China — We rely on dividends and other distributions on equity paid by our WFOE to fund any cash and financing requirements we may have, and any limitation on the ability of our WFOE to make payments to us could have a material and adverse effect on our ability to conduct our business."

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the Class A ordinary shares underlying the ADSs to the depositary, as the registered holder of such ordinary shares, and the depositary then will pay such amounts to the ADS holders in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares." Cash dividends on our ordinary shares, if any, will be paid in U.S. Dollars.

CAPITALIZATION

The following table sets forth our total capitalization, as of September 30, 2022.

- on an actual basis;
- a pro forma basis to reflect the conversion of all of our remaining outstanding 100,843,631 preferred shares into Class A ordinary shares on a one-for-one basis immediately prior to the completion of this offering; and
- a pro forma as adjusted basis to reflect (1) the conversion of all of our remaining outstanding 100,843,631 preferred shares into Class A ordinary shares on a one-for-one basis immediately prior to the completion of this offering; and (2) the sale and issuance by us of Class A ordinary shares in the form of ADSs in this offering, based upon the assumed initial public offering price of US$ per ADS, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise by the underwriters of their option to purchase additional ADSs.

The pro forma as adjusted information set forth in the following table is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table together with our consolidated financial statements and related notes, and the "Selected Consolidated Financial and Other Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections that are included elsewhere in this prospectus.

	As of September 30, 2022					
	Actual		Pro forma		Pro forma as adjusted	
	RMB	US$	RMB	US$	RMB	US$
Mezzanine equity						
Series A convertible redeemable preferred shares (US$0.0001 par value, 22,000,000 shares authorized, issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	82,002	11,528	—	—		
Series B convertible redeemable preferred shares (US$0.0001 par value, 23,983,789 shares authorized, issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	94,833	13,331	—	—		
Series B-1 convertible redeemable preferred shares (US$0.0001 par value, 7,913,872 shares authorized, issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	33,612	4,725	—	—		
Series C convertible redeemable preferred shares (US$0.0001 par value, 20,327,789 shares authorized, issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	110,125	15,481	—	—		
Series D convertible redeemable preferred shares (US$0.0001 par value, 11,818,754 shares authorized, issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	106,541	14,977	—	—		
Series E convertible redeemable preferred shares (US$0.0001 par value, 14,799,427 shares authorized, issued and outstanding, actual; no shares issued and outstanding, pro forma and pro forma as adjusted)	246,516	34,655	—	—		
Total mezzanine equity	673,629	94,697	—	—		
Shareholder's equity/(deficit)						
Class A ordinary shares (US$0.0001 par value; 345,113,731 shares authorized, 4,783,589 shares issued and outstanding, actual; 105,627,220 shares issued and outstanding, pro forma and pro forma as adjusted)	3	—	75	11		
Class B ordinary shares (US$0.0001 par value; 54,042,638 shares authorized, 49,859,049 issued and outstanding, actual, pro forma and pro forma as adjusted).	34	5	34	5		
Additional paid-in capital[(2)]	106,830	15,018	780,387	109,704		
Accumulated other comprehensive income	3,965	557	3,965	557		
Accumulative deficit	(958,429)	(134,733)	(958,429)	(134,733)		
Total shareholders' equity/(deficit)[(2)]	(847,597)	(119,153)	(173,968)	(24,456)		
Total capitalization[(2)]	(173,968)	(24,456)	(173,968)	(24,456)		

(1) The pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity and total capitalization following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing.

(2) A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS, the mid-point of the estimated range of the initial public offering price shown on the cover page of this prospectus, would increase (decrease) each of additional paid-in capital, total shareholders' equity and total capitalization by US$ million. Assuming the underwriters exercise their option to purchase additional ADSs in full, a US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) each of additional paid in capital, total shareholders' equity and total capitalization by US$ million.

DILUTION

If you invest in the ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of September 30, 2022 was US$ million, representing US$ per ordinary share and US$ per ADS as of that date, or US$ per ordinary share and US$ per ADS on a pro forma basis. Net tangible book value represents the amount of our total consolidated tangible assets, less the amount of our total consolidated liabilities.

Dilution is determined by subtracting net tangible book value per ordinary share on an as-converted basis, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of US$ per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Because the Class A ordinary shares and Class B ordinary shares have the same dividend and other rights, except for voting and conversion rights, the dilution is presented based on all issued and outstanding ordinary shares, including Class A ordinary shares and Class B ordinary shares.

Without taking into account any other changes in net tangible book value after September 30, 2022, other than to give effect to (1) the conversion of all of our remaining outstanding 100,843,631 preferred shares into Class A ordinary shares on a one-for-one basis immediately prior to the completion of this offering, and (2) our sale of the ADSs offered in this offering at the assumed initial public offering price of US$ per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2022 would have been US$, or US$ per ordinary share and US$ per ADS. This represents an immediate increase in net tangible book value of US$ per ordinary share and US$ per ADS to the existing shareholders and an immediate dilution in net tangible book value of US$ per ordinary share and US$ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

The following table illustrates this dilution to new investors purchasing the ADSs in this offering.

	Per Ordinary Share	Per ADS
Assumed initial public offering price	US$	US$
Net tangible book value as of September 30, 2022	US$	US$
Pro forma net tangible book value after giving effect to the conversion of our preferred shares and pre-offering Class A ordinary shares	US$	US$
Pro forma net tangible book value after giving effect to the conversion of our preferred shares and pre-offering Class A ordinary shares and this offering	US$	US$
Amount of dilution in pro forma net tangible book value per share to new investors in this offering	US$	US$

A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by US$, the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving effect to this offering by US$ per ordinary share and US$ per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by

US$ per ordinary share and US$ per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma as adjusted basis as of September 30, 2022, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses. The total number of ordinary shares does not include the underlying Class A ordinary shares represented by the ADSs issuable upon the exercise of the option to purchase additional ADSs granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price per Ordinary Share	Average Price per ADS
	Number	%	Number	%		
	(US$ in thousands, except number of shares and percentages)					
Existing shareholders			US$		US$	US$
New investors			US$		US$	US$
Total		100.0	US$	100.0		

A US$1.00 increase (decrease) in the assumed initial public offering price of US$ per ADS would, increase (decrease) total consideration paid by new investors, total consideration paid by all shareholders, average price per ordinary share and average price per ADS paid by all shareholders by US$, US$, US$ and US$, respectively, assuming the number of ADSs offered by us as set forth on the cover page of this prospectus and the shares issued in connection with the concurrent private placement remain the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of the ADSs and other terms of this offering determined at pricing.

The discussion and tables above assume no exercise of any outstanding share options outstanding as of the date of this prospectus. As of the date of this prospectus, there are 18,640,751 ordinary shares issuable upon exercise of outstanding share options granted at an average weighted exercise price of US$0.19 per share. To the extent that any of these options are exercised, there will be further dilution to new investors.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Cayman Islands as an exempted company with limited liability. We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include but are not limited to:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors as compared to the United States; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our post-offering memorandum and articles of association do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

We conduct our business in China and our assets are located in China. All of our executive officers are located in China. All of our directors who are not our executive officers are located in China, except for [one] independent director. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these individuals, or to bring an action against us or these individuals in the United States, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed , located at , as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Cayman Islands

We have been advised by Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law, that the courts of the Cayman Islands are unlikely to (1) recognize or enforce judgments of U.S. courts obtained against us or our directors or officers that are predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state in the United States, or (2) entertain original actions brought in the Cayman Islands against us or our directors or officers that are predicated upon the federal securities laws of the United States or the securities laws of any state in the United States, so far as the liabilities imposed by those provisions are penal in nature.

We have also been advised by Maples and Calder (Hong Kong) LLP that in those circumstances, although there is no statutory recognition in the Cayman Islands of judgments obtained in the federal or state courts of the United States, a foreign money judgment of a foreign court of competent jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided that such judgment

(1) is given by a foreign court of competent jurisdiction, (2) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (3) is final and conclusive, (4) is not in respect of taxes, a fine or a penalty, and (5) is not inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud and was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

However, the Cayman Islands courts are unlikely to enforce a judgment obtained from the United States courts under the civil liability provisions of the securities laws if such judgment is determined by the courts of the Cayman Islands to give rise to obligations to make payments that are penal or punitive in nature. A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

China

CM Law Firm, our counsel as to PRC law, has advised us that there is uncertainty as to whether the courts of China would (1) recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or (2) entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

CM Law Firm has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the jurisdiction where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC for disputes if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit.

However, it will be difficult for U.S. shareholders to originate actions against us in China in accordance with PRC laws because we are incorporated under the laws of the Cayman Islands and it will be difficult for U.S. shareholders, by virtue only of holding the ADSs or ordinary shares, to establish a connection to the PRC for a PRC court to have jurisdiction as required under the PRC Civil Procedures Law.

CORPORATE HISTORY AND STRUCTURE

QuantaSing Group Limited is an exempted company with limited liability incorporated under the laws of the Cayman Islands with no substantive operation. We carry out our business in China through Beijing Liangzizhige (our "WFOE"), our wholly-owned subsidiary, and its contractual arrangements, commonly known as the VIE structure, with Beijing Feierlai (the "VIE"), a variable interest entity based in China, and its nominee shareholder.

We began our online learning services in 2019 when we were within the group of Witty network, a Cayman Islands holding company held by our existing shareholders. In anticipation of this listing and offering and in order to focus on developing our current online learning and enterprise service business, our shareholders has restructured the corporate structure and spun-off our current business from Witty network and its affiliate, EW Technology, into the entities within our group.

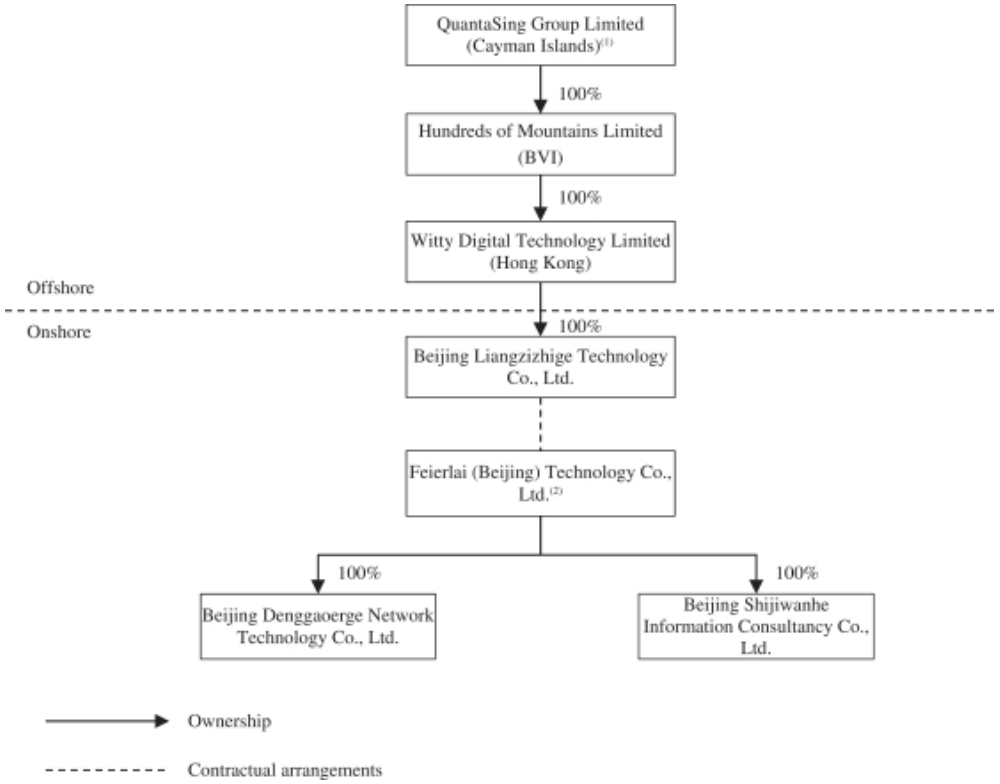
Prior to the spin-off, our business had been conducted through certain contractual arrangements established by Witty network's wholly-owned subsidiary in China (the "Former WFOE") with (1) Beijing Dianfengtongdao Technology Co., Ltd. (the "Former VIE"), a variable interest entity based in China, and its nominee shareholder, and (2) the VIE and its nominee shareholder. In May 2021, our WFOE entered into a series of agreements and established new contractual arrangements with the VIE and its nominee shareholder, and the previous contractual arrangements between the Former WFOE and the VIE were terminated. Certain of our online learning business for which we have consolidated the financial results as of and for the fiscal years ended June 30, 2021 and 2022 was then spun-off from Witty network to EW Technology.

In February 2022, QuantaSing Group Limited was incorporated as a Cayman Islands holding company and listing entity for this offering. In February 2021, Witty Digital Technology Limited was incorporated in Hong Kong. In March 2021, Hundreds of Mountains Limited was incorporated in the British Virgin Islands. Witty Digital Technology Limited and Hundreds of Mountains Limited are our wholly-owned subsidiaries. In March 2021, our WFOE was established in China as a new wholly-owned subsidiary of Witty Digital Technology Limited for the purpose of above-described restructuring.

In March 2022, we completed the sale of 100% of the equity interest in Beijing ChangYou Star Network Technology Co., Ltd., and its subsidiary, Beijing Baichuan Insurance Brokerage Limited ("Beijing Baichuan"), to Beijing Shanronghaina Network Technology Co., Ltd., an entity controlled by EW Technology. For details of the transaction and pro forma impact on our historical financial data, see "Management's Discussion and Analysis of Financial Condition and Results of Operations — Unaudited Pro Forma Condensed Consolidated Statement of Operations."

In May 2022, EW Technology transferred all its equity interests in its BVI subsidiary which held our WFOE and consolidated the financial results of VIE and its subsidiaries to QuantaSing Group Limited, upon which QuantaSing Group Limited acquired all the equity interests in our WFOE, and became the primary beneficiary of the VIE consolidating the financial results of the VIE and its subsidiaries. The restructuring and spin-off was completed in May 2022.

The following diagram illustrates our corporate structure, including our subsidiaries and the affiliated entities, as of the date of this prospectus.



(1) See "Principal Shareholders" for details of our shareholding structures immediately prior to and after this offering.
(2) Beijing Feierlai is wholly owned by Shenzhen Erwan Education Technology Co., Ltd., an entity owned as to 99.0% by Mr. Peng Li, our founder and chief executive officer, and 1.0% by Ms. Li Meng, mother of Mr. Li.

Contractual Arrangements

QuantaSing Group Limited is a Cayman Islands holding company with no equity ownership in the VIE or its subsidiaries and not a Chinese operating company. We conduct operations in China through (1) our WFOE and (2) the VIE, with which we have maintained contractual arrangements, and its subsidiaries. PRC laws and regulations provide restrictions on foreign investment in certain value-added telecommunication services and other internet related businesses. Accordingly, we conduct our business in China through our WFOE and the affiliated entities based on a series of contractual arrangements by and among our WFOE, the VIE and its nominee shareholder, to comply with the applicable PRC laws and regulations. Revenues contributed by the affiliated entities accounted for substantially all of our total revenues in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022.

Our contractual arrangements allow us to (1) be considered as the primary beneficiary of the VIE for accounting purposes and consolidate the financial results of the affiliated entities, (2) receive substantially all of the economic benefits of the affiliated entities, (3) have the pledge right over the equity interests in the VIE as the pledgee, and (4) have an exclusive option to purchase all or part of the equity interests in the VIE when and to the extent permitted by PRC law.

As a result of our direct ownership in our WFOE and the contractual arrangements with the VIE, we have become the primary beneficiary of the VIE, and, therefore, have consolidated the financial results of the affiliated entities in our consolidated financial statements in accordance with U.S. GAAP.

The following is a summary of the currently effective contractual arrangements by and among our WFOE, the VIE and its shareholder.

Voting rights proxy agreement. Pursuant to the voting rights proxy agreement dated May 20, 2021 entered into by and among our WFOE, the VIE and its shareholder, the shareholder of the VIE irrevocably appointed and authorized our WFOE or its designee(s) to act on its behalf as exclusive agent and attorney, to the extent permitted by PRC law, with respect to all matters concerning all equity interests held by such shareholder in the VIE, including but not limited to the power to (1) attend shareholders' meetings, (2) exercise all shareholder's rights and shareholder's voting rights that it is entitled under relevant PRC laws and regulations and the articles of association of the VIE, including but not limited to the right to sell, transfer or pledge of all the equity interests held in part or in whole, and (3) designate and appoint on its behalf the legal representative, directors, supervisors, chief executive officer and other senior management members of the VIE. The voting rights proxy agreement is irrevocable and continuously effective from the execution date until the entire equity interests in the VIE have been transferred to our WFOE or its designee pursuant to the exclusive option agreement or unless otherwise agreed to with written consent by all parties.

Equity pledge agreement. Under the equity pledge agreement dated May 20, 2021 entered into by and among our WFOE, the VIE and its shareholder, the shareholder of the VIE agrees to pledge all of its equity interests in the VIE to our WFOE as security for performance of the respective obligations of the VIE and its shareholder hereunder and under the exclusive option agreement, the voting rights proxy agreement and the exclusive consultancy and service agreement, and for payment of all the losses and losses of anticipated profits suffered by our WFOE as a result the VIE or its shareholder's defaults. If any of the VIE or its shareholder breach its contractual obligations, our WFOE, as the pledgees, may, upon issuing written notice, exercise certain remedy measures, including but not limited to being paid in priority with all pledged equity interests based on monetary evaluation or from the proceeds from auction or sale. The shareholder of the VIE agrees that, without our WFOE's prior written consent, the shareholder of the VIE shall not transfer the pledged equity interests or place or permit the existence of any security interests or other encumbrances over the pledged equity interest. Our WFOE may assign all or any of its rights and obligations under the share pledge agreement to its designee(s) at any time. The equity pledge agreement pledge will become effective on the date thereof and will remain in effect until the fulfillment of all the obligations hereunder and under the exclusive option agreement, the voting rights proxy agreement and the exclusive consultancy and service agreement and the full payment of all the losses and losses of anticipated profits suffered by our WFOE as a result the VIE or its shareholder's default. We completed the registration of the pledged equity interests in the VIE with the competent administration for industry and commerce in May 2021.

Exclusive consultancy and service agreement. Pursuant to the exclusive consultancy and service agreement dated May 20, 2021 entered into by and between our WFOE and the VIE, our WFOE has the exclusive right, during the term of the exclusive consultancy and service agreement, to provide or designate its affiliates to provide complete business support and technical and consulting services to the VIE. In exchange, the VIE shall pay our WFOE in an amount equals to the VIE's revenues minus any turnover tax, total costs incurred by the VIE, any provisions for statutory reserves and retained earnings, which should be paid on a quarterly basis. The retained earnings should be zero unless our WFOE agrees in writing for any other amount. Our WFOE shall have exclusive and proprietary rights and interests in all rights, ownership, interests and intellectual properties arising out of or created during the performance of the agreement. The exclusive consultancy and service agreement shall remain effective for ten years from the execution date and shall be extended for another ten years unless confirmed otherwise in writing by our WFOE within three months prior to the expiration date.

Exclusive option agreement. Under the exclusive option agreement dated May 20, 2021 entered into by and between our WFOE, the VIE and its shareholder, the shareholder of the VIE irrevocably granted our WFOE an

exclusive right to purchase, or designate any third-party to purchase, all or part of the equity interests and assets in the VIE at any time in part or in whole at the sole and absolute discretion of our WFOE to the extent permitted by PRC law and at a purchase price equal to the lowest price permitted by the then-applicable PRC law and regulations at the time of exercise of the options. The shareholder of the VIE shall give all considerations it received within 10 business days from the exercise of the options to our WFOE or its designee(s) in a legally compliant manner. Without the prior written consent of our WFOE, the VIE and/or its shareholder shall not, among others (1) transfer or otherwise dispose of any equity, assets or business of the VIE, or create any pledge or encumbrance on any equity, assets or business of the VIE, (2) increase or decrease the VIE's registered capital or change its structure of registered capital, (3) sell, transfer, mortgage, or dispose of in any other manner outside of ordinary course of business any assets of the VIE or any legal or beneficial interests in the material business or revenues of the VIE, or allow any encumbrances thereon of any security interests, (4) enter into any major contracts or terminate any material contracts to which the VIE is a party, or enter into any other contract that may result in any conflicts with the VIE's existing materials contacts, (5) carry out any transactions that may substantially affect the VIE's assets, business operations, shareholding structure, or equity investment in third-party entities, (6) appointment or replacement of any director, supervisor, or any management who could be appointed or dismissed by shareholder of the VIE, (7) declare or distribute dividends, (8) dissolute or liquate or terminate the VIE, (9) amend the VIE's articles of association, or (10) allow the VIE to incur any borrowings or loans. This agreement shall become effective on the execution date and remain in effect until all equity interests in the VIE have been transferred to our WFOE and/or its designee(s) pursuant to this agreement.

In the opinion of our PRC counsel, CM Law Firm: (1) the ownership structures of the VIE and WFOE are not in any violation of applicable PRC laws and regulations currently in effect; and (2) the contractual arrangements between our WFOE, the VIE and its shareholder governed by PRC laws and regulations are currently valid, binding and enforceable and will not result in any violation of applicable PRC laws and regulations currently in effect.

However, we have been further advised by CM Law Firm that there are substantial uncertainties regarding the interpretation and application of current PRC laws and regulations. The PRC government may ultimately take a view contrary to or otherwise different from the opinion of our PRC counsel. Investors in our securities (including the ADSs) are not purchasing equity interest in the VIE in China but, instead, are purchasing equity interest in a holding company incorporated in the Cayman Islands. The contractual arrangements may be less effective from direct ownership in providing us with control over the VIE or its subsidiaries and we may incur substantial costs to enforce the terms of the arrangements. Our corporate structure is subject to risks associated with our contractual arrangements with the VIE. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or the VIE is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. We could be subject to severe penalties or be forced to relinquish our interests in those operations. Our Cayman Islands holding company, our WFOE and the affiliated entities, and investors in securities (including the ADSs) face uncertainty with respect to potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIE and, consequently, significantly affect the financial performance of our company as a whole and the affiliated entities. See "Risk Factors — Risks Related to Our Corporate Structure."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our results of operations and financial condition in conjunction with the section entitled "Selected Consolidated Financial Data" and our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements that involve risks and uncertainties about our business and operations. The actual results and the timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those we describe under "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward-Looking Statements."

Overview

We are the largest online learning service provider in China's adult learning market for personal interest courses and among the top five service providers in China's total adult learning market, in terms of revenue in 2021, according to the F&S report. We offer easy-to-understand, affordable, and accessible online courses to adult learners under various brands, including *QiNiu*, *JiangZhen*, and *QianChi*, and to a lesser extent, marketing services and enterprise talent management services to enterprise customers.

We launched our financial literacy learning services in July 2019 and quickly became the largest service provider in China's online financial learning market in terms of revenue in 2021 according to the F&S report. In August 2021, we expanded our offerings into other personal interests to leverage the general public's gradual awakening to more diverse needs in pursuing personal development and lifelong learning. We derive revenues from course fees charged to learners for our individual online learning services.

In February 2020, we launched our marketing services to financial intermediary enterprises, allowing them to connect with our learners to enlarge their customer base. We charge leads referral fees based on the quality and quantity of the leads generated. In June 2022, we launched our enterprise talent management services to provide enterprise customers with online talent assessment, training and learning services for internal employee management. We charge service fees for enterprise talent management services based on service contents and duration, and in July 2022, we began to recognize revenue for such services.

As of November 30, 2022, we had accumulated approximately 75.1 million registered users, quadrupling from 17.0 million as of June 30, 2021. For the fiscal year ended June 30, 2022, we had approximately 1.1 million paying learners, representing a 37.5% increase from 0.8 million for the fiscal year ended June 30, 2021. See "— Key Operating Metrics" for details. For the five months ended November 30, 2022, we had 0.5 million paying learners. Our total revenues were RMB1,759.9 million, RMB2,868.0 million (US$403.2 million), RMB744.0 million and RMB659.4 million (US$92.7 million) for the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We incurred net loss of RMB316.0 million, RMB233.4 million (US$32.8 million), RMB77.9 million and RMB97.3 million (US$13.7 million) in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We had adjusted net loss of RMB214.2 million, adjusted net profit of RMB58.0 million (US$8.2 million) and adjusted net loss of RMB48.8 million and RMB50.9 million (US$7.2 million) in the same periods, respectively. See "— Non-GAAP Financial Measures."

Key Factors Affecting Results of Operations

General factors affecting results of operations

Our business, results of operations and financial condition have been, and are expected to continue to be, subject to the influence of the general factors affecting the overall economy and the industry that we operate in.

We, through our WFOE and the affiliated entities, primarily operate in China's online adult learning market. Our results of operations and financial condition are significantly affected by macroeconomic factors, including

China's economic performance and growth, urbanization level, and per capita disposable income, all of which have an impact on the mass market's demand for and ability to spend on online learning services and, in turn, China's online adult learning industry. In addition, as we expanded our services to enterprise customers, the macroeconomic factors will also affect, among others, these customers' spending on professional training and other relevant services, as well as the demand for marketing services from financial intermediary enterprises, which in turn affects our results of operations and financial condition.

Our results of operations and financial condition depend significantly on the overall development status of China's online adult learning industry, including, among others, the awareness of the importance of personal development, the willingness to spend on personal interests, and adoption of online learning platforms among Chinese individuals. In particular, our results of operations and financial condition are driven by technological factors affecting the delivery of online learning services in China, including technologies in live streaming, artificial intelligence, and big data, and the penetration of the mobile internet and devices, all of which influence the online learning experience, the course contents and quality, and the efficiency of course delivery and in turn the offline-to-online transition of adult learning services. Our results of operations and financial condition also depend in part on competitive landscape of the online adult learning industry, and we compete, to some extent, with traditional offline players. Moreover, our results of operations and financial condition are affected by the regulatory regime relating to, among others, our business and operations, our industry, and our technology infrastructure. The PRC government regulates various aspects of our business operations and capital raising activities, including the regulatory approval and licensing requirements for entities providing online learning services and other services, data security and personal information protection, and our oversea capital raising activities in general.

Our results of operations and financial condition are also subject to the effect of the COVID-19 pandemic. For details, see "— Effects of COVID-19 Pandemic."

Specific factors affecting results of operations

In addition to the general factors, we believe that our business, results of operations and financial condition are affected by company-specific factors, including the key factors discussed below.

Ability to attract new registered users and learners

Our revenues depend significantly on our individual online learning services, especially our financial literacy courses, and we must continue to attract new registered users and learners and increase their engagement on our platforms over time.

We have benefited from our organic business model and experienced a significant growth in our learner base since the launch of our online courses. The effectiveness and efficiency of our sales and marketing activities are critical to our business growth and results of operations. We primarily leverage major social media in China, such as Douyin, Weixin and Kuaishou, and to a much lesser extent, other online and offline channels to access prospective users and learners. The growth of our users and learners largely depends on our ability to identify and attract users from such marketing channels to join our platforms and attend our course offerings.

Our ability to attract prospective users and learners also depend on our ability to develop and offer diversified, high-quality course offerings. In July 2019, we launched our financial literacy learning services. In August 2021, we expanded our course offerings into other adult personal interest courses. In the fiscal year ended June 30, 2022 and the three months ended September 30, 2022, our other personal interest courses contributed revenues of RMB193.9 million (US$27.3 million) and RMB116.5 million (US$16.4 million), respectively, representing 6.8% and 17.7% of our total revenues for the same periods, respectively. We expect that we can continue to attract prospective users and learners as we continue to develop new course offerings and improve the teaching quality and learning experience of our course offerings.

Ability to convert registered users to paying learners

Our ability to generate revenues depends significantly on our paying learner base, which in turn depends significantly on the effectiveness of our sales and marketing activities in acquiring new registered users and our progressive course mode in attracting users to purchase our premium courses. Once we bring new users onto our platforms, we encourage them to attend our introductory courses, and subsequently, to further purchase and enroll in our premium courses. Substantially all of our paying learners have previously attended our introductory courses. As of June 30, 2021 and 2022 and November 30, 2022, our financial literacy courses had accumulated approximately 11.9 million, 24.0 million and 28.3 million learners for introductory courses, respectively. For the fiscal year ended June 30, 2021 and 2022 and the five months ended November 30, 2022, our financial literacy courses had approximately 0.8 million, 1.0 million and 0.4 million paying learners, respectively.

Our ability to expand our learner base also depends on a number of other factors, such as the perceived attractiveness, effectiveness and quality of our course offerings, the capabilities of our instructors and tutors, and the learning experience on our platforms. We believe that our carefully selected, well-designed curriculums and learning materials and our ability to expand and upgrade our course offerings in a timely manner according to market demands are critical in attracting learners. We will also continue to improve our technology infrastructure and study toolkits to further improve the quality and learning experience of our course offerings.

We have sought to enhance our ability to continuously appeal to our existing registered users, by sending course notifications and advertisements to registered users who have not participated in our courses, so that they might enroll in our courses in the future. We have also sought to enhance cross-selling and up-selling by encouraging our existing learners to enroll in different course categories and continue their learning journey with more advanced course levels. We expect that our continuous user engagement and retention efforts will better capture the business opportunities associated with users' interests in personal development, increase their spending, and further monetize our registered user base.

Ability to effectively price our courses

Our revenues are significantly affected by the level of course fees we charge for our premium courses. Our introductory courses are offered free of charges or, occasionally, for a nominal price, which was generally no more than RMB9.9 as of November 30, 2022. Our ability to price our courses effectively is affected by a number of factors, including, among others, the overall demand for our courses, the quality and effectiveness of our course offerings, and the prices and availability of competing courses. We consider a number of factors in determining the prices of our courses, primarily including our course quality, our service capabilities, and the macroeconomic environment, and we have, from time to time, increased and may continue to increase our course pricing as we continue to upgrade our course offerings.

Ability to diversify and improve our course offerings and services

The quality and breadth of our course offerings are critical to learners' demand and our ability to price our courses and compete effectively and generate revenue in a sustainable manner. The quality of our course offerings in turn depends on, among others, our ability to select and offer attractive course contents and enhance our curriculums, learning materials and learning tools, and the technological capability that supports our course development and delivery. The breadth of our course offerings depends on, among others, our ability to quickly and precisely capture the evolving demand for online learning services and the efficiency and effectiveness of our content development process. Moreover, we depend significantly on our instructors to deliver courses in an effective manner and our tutors to serve and maintain good relationship with our learners, which affects our learners' perceptions about the quality of our course offerings and services and their overall learning experience.

Ability to strengthen our technological capability

Our technological capability is instrumental to our ability to engage with prospective users and learners, deliver learning services, and achieve operating efficiency. For instance, we rely in part on the strengths of our

live streaming capability and network infrastructure to deliver our courses to a growing number of learners in a stable and efficient manner, which affects their learning experience and their willingness to pay for our courses. We have also invested in technological measures to enhance the quality and breadth of our offerings, such as by continuously updating our applications and platforms and providing intelligent study toolkits. Moreover, we have applied various data analytic technologies to optimize multiple areas of our business operations. We utilize our intelligent marketing system and intelligent interactive system to monitor and control the effectiveness of our sales and marketing activities and improve learner engagement. As we further expand our learner base, refresh and enrich our course portfolio, and diversify our service offerings, including services to enterprise customers, we believe that our technological capability will continue to be critical to our business performance and operating efficiency, which in turn will affect our results of operations and financial condition.

Ability to control our operating costs and expenses

Our operating margins depend in part on our ability to control our costs and realize additional operation leverage as we expand. For the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, our cost of revenues accounted for 10.2%, 14.3%, 11.6% and 11.4% of our total revenues, respectively. A substantial majority of our cost of revenues consists of staff costs and labor outsourcing costs. Historically, we have benefited from the significant scalability of our business model and have been able to control those costs at a relatively low level despite the significant growth in our revenues. Our ability to continue to control our costs largely depends on our ability to increase the economic benefits from the scalability of our business model and utilize advanced technology to optimize our course operations.

In addition, our ability to market our course offerings in a cost-effective manner is critical for us to maintain and improve our operating margins. For the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, we incurred net loss of RMB316.0 million, RMB233.4 million (US$32.8 million), RMB77.9 million and RMB97.3 million (US$13.7 million), respectively, primarily due to the large spending on selling and marketing activities. Our sales and marketing expenses accounted for 96.3%, 78.6%, 90.1% and 88.1% of our total revenues in the same corresponding periods, respectively. Our sales and marketing expenses primarily consist of online advertising spending, and to a lesser extent, compensation to our sales and marketing personnel. Our ability to maintain or lower our sales and marketing expenses as a percentage of revenues depends on our ability to improve sales and marketing efficiency, including through the adoption of more effective technological measures, understand learner demands, and introduce more attractive course categories. We expect that our sales and marketing expenses will continue to be the most significant portion of our operating expenses under our existing business model and will continue to increase as the online user acquisition costs increase in general and as we expand our course offerings into new fields. We may also incur increases in other operating expenses due to the expansion of our course offerings and the initiatives of our new business such as our services to enterprise customers.

Ability to retain and expand our enterprise customers

Our ability to retain and expand our enterprise customers also affects our ability to increase our revenues and margins. For the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, revenues from our enterprise services accounted for 8.2%, 6.5%, 5.7% and 11.2% of our total revenues, respectively. Historically, our enterprise services primarily focused on marketing services to connect enterprises and individual learners. Our ability to increase our marketing services depends significantly on the size of our learner base and our ability to attract new learners. In addition, our ability to initiate new enterprise service offerings will affect our ability to attract enterprise customers and in turn, our ability to generate revenues from them. Since early 2022, we have been actively exploring and expanding new services to enterprise customers, including launching our talent management services and assisting enterprise customers in building their proprietary learning platforms. We may incur higher operating costs and expenses, including research and development expenses, due to the expansion of our services to enterprise customers.

Change in service offering mix

We have been experiencing a shift in our service offering mix, in terms of our services to individual learners and enterprise customers and our online course offerings in financial literacy and other personal interest. This shift has affected, and is expected to continue to affect, our financial performance, especially our revenue growth and profit margin. Historically, substantially all of our revenues were generated from our online courses in financial literacy. We expect the revenue from other personal interest courses will continue to increase since their initial launch in August 2021. However, the gross profit margin of financial literacy and other personal interest learning services may differ. The launch of new courses may be accompanied with fluctuations in our revenues and gross profits, due to the development and the related allocation of our marketing and corporate resources to such courses. Furthermore, our revenues from our enterprise services have grown fast since the launch of marketing services in February 2020. We are also actively exploring other enterprise services, including enterprise talent management services launched in June 2022. The gross profit margin of our individual online learning services is expected to be generally higher than that of our enterprise services, as we may incur a large amount of upfront costs and expenses to initiate and ramp such enterprise services, technological infrastructure expenditures and R&D staff costs and expenses, which may affect our overall gross profit margin. As a result, any future change in our service offering mix or change in profit margin of any business may have a corresponding impact on our overall gross profit margin.

Effects of COVID-19 Pandemic

COVID-19 has significantly affected China and many other countries. Since early 2020, the PRC government has imposed various measures to keep COVID-19 in check, including quarantine arrangements, travel restrictions, and stay-at-home orders from time to time. Such restrictions have adversely affected our operations, as it has caused inconvenience to our day-to-day operating activities. We have taken measures to minimize the impact of COVID-19 on our operations, including transitioning our employees to remote work and providing instructors with devices to facilitate remote course delivery during the pandemic. We have not incurred any material changes in our operating expenses as a result of the COVID-19 pandemic. We believe that our ability to meet the needs of our learners has not been materially affected by the government-instituted precautionary measures.

The COVID-19 pandemic has broadly affected the online learning market, including the general awareness and acceptance of online learning services, the market demand of online learning services, individual disposable income, and enterprises' spending on online services. Historically, the COVID-19 pandemic has contributed to the growth of China's online adult learning market, and in turn, our business growth. However, we are not able to quantify the proportion of the increase in revenue that is attributable to the COVID-19 pandemic as opposed to other factors contributing to our growth in the same periods. Additionally, the circumstances that have driven our business growth during the COVID-19 pandemic may not persist in the future. Many of the restrictive measures previously adopted by the PRC governments at various levels to control the spread of the COVID-19 virus have been revoked or replaced with more flexible measures since December 2022. While the revocation or replacement of the restrictive measures to contain the COVID-19 pandemic could have a positive impact on our normal operations, it may also shift the public's focus to offline activities and reduce their interest in online learning. Moreover, there has been and may continue to be an increase in COVID-19 cases in China, and as a result, we experienced temporary disruption to our operations where many employees were infected with COVID-19 in December 2022, and we may face operational challenges with our services. Furthermore, the COVID-19 pandemic has also affected China's and the world's economy, and if the negative impact of the COVID-19 pandemic on the economy persists, individuals may have lower disposable income and may become less inclined to pay for online learning, and enterprises may also reduce their spending on our services. As a result, the growth rate of our revenue and our learner base may decline in the future.

Key Operating Metrics

We regularly review a number of metrics, including the key metrics presented in the following table, to evaluate our business. The calculation of the key metrics and other measures discussed below may differ from other similarly titled metrics used by other companies, securities analysts or investors. The following table presents certain key operating data as of/for the periods indicated.

	As of June 30,		As of September 30, 2022	As of November 30, 2022
	2021	2022	(in millions)	
Registered users				
Financial literacy	17.0	50.4	56.3	59.7
Other personal interests	—	8.4	11.8	15.4
Total registered users	17.0	58.8	68.1	75.1
Introductory course learners(1)				
Financial literacy	11.9	24.0	26.6	28.3
Other personal interests	—	3.5	5.4	7.1
Total introductory course learners	11.9	27.5	32.0	35.4

	For the fiscal year ended June 30,		For the three months ended September 30, 2022	For the five months ended November 30, 2022
	2021	2022	(in millions, except for percentages)	
Paying learners				
Financial literacy	0.8	1.0	0.2	0.4
Other personal interests	—	0.1	0.1	0.1
Total paying learners	0.8	1.1	0.3	0.5
Repeat purchase rate	29.3%	49.5%	40.9%	41.1%

(1) We offer our introductory-level courses free of charges or, occasionally, for a nominal price, which was generally no more than RMB9.9 as of November 30, 2022.

Unaudited Pro Forma Condensed Consolidated Statement of Operations

On March 1, 2022, we completed the sale of 100% equity interest of Beijing ChangYou Star Network Technology Co., Ltd. and its subsidiary Beijing Baichuan (collectively, the “Disposed Group”) to Beijing Shanronghaina Network Technology Co., Ltd., an entity controlled by Mr. Peng Li on behalf of all of our shareholders. The transaction is accounted for as a disposal under common control pursuant to ASC 360-10, and difference between the proceeds received by the transferring entity and the book value of the Disposed Group (after impairment included in earnings, if any) was recognized as a capital transaction and no gain or loss would be recorded. As such, RMB0.5 million was recognized as dividend to shareholders, which represents the difference between the proceeds of RMB22 million and the Disposed Group’s net carrying value. We do not consider the disposal is a strategic shift with major effect and have determined that discontinued operations reporting is not applicable.

The following unaudited pro forma consolidated financial information have been prepared to show the pro forma effect of the disposal of the Disposed Group by applying pro forma adjustments to our historical consolidated financial information. The unaudited pro forma condensed consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X, as amended by the final rule, Release No. 33-10786 “Amendments to Financial Disclosures about Acquired and Disposed Businesses.” The unaudited pro forma condensed consolidated statements of operations are based upon our historical consolidated financial statements. The unaudited pro forma condensed consolidated statements of operations for the fiscal year ended June 30, 2022 is presented as if the disposal of the Disposed Group had occurred on July 1, 2021.

The following unaudited pro forma condensed consolidated financial information is intended to provide investors with information about the impact of the disposal of the Disposed Group by showing how specific transactions have affected historical financial statements, illustrating the scope of the change in the historical results of operations. This unaudited pro forma condensed consolidated financial information should not be viewed as indicative of our financial results in the future and should be read in conjunction with our consolidated financial statements included elsewhere in this prospectus, as well as "Risk Factors," "Summary Consolidated Financial and Other Operating Data," "Capitalization," and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The financial information has been adjusted in the unaudited pro forma financial information to give effect to events that are directly attributable to the disposal of the Disposed Group and are factually supportable.

	For the fiscal year ended June 30, 2022			
		Transaction Adjustments		
	QuantaSing	Disposed Group[1]	Adjustments[2]	Pro Forma
	(RMB in thousands, except for per share data)			
Revenues	**2,867,974**	**(183,911)**	**99,445**	**2,783,508**
Cost of revenues	(408,757)	111,170	(99,445)	(397,032)
Gross profit	**2,459,217**	**(72,741)**	**—**	**2,386,476**
Operating expenses:				
Sales and marketing expenses	(2,254,459)	91,981	—	(2,162,478)
Research and development expenses	(273,484)	1,096	—	(272,388)
General and administrative expenses	(166,650)	2,881	—	(163,769)
Total operating expenses	**(2,694,593)**	**95,958**	**—**	**(2,598,635)**
(Loss)/Income from operations	**(235,376)**	**23,217**	**—**	**(212,159)**
Other incomes:				
Interest income	387	(10)	—	377
Others, net	19,913	(701)	—	19,212
(Loss)/Income before income tax	**(215,076)**	**22,506**	**—**	**(192,570)**
Income tax expense	(18,350)	(1,413)	—	(19,763)
Net (loss)/income	**(233,426)**	**21,093**	**—**	**(212,333)**
Net loss per ordinary share				
- Basic	(5.26)			(4.83)
- Diluted	(5.26)			(4.83)

(1) Represents the historical consolidated revenues and expenses of the Disposed Group as if the disposition had occurred on July 1, 2021.
(2) Represents the revenues from referral services provided by QuantaSing to the Disposed Group, and the corresponding cost incurred by the Disposed Group. The VIE has been providing marketing services to the Disposed Group. See "Related Party Transaction — Transaction with Certain Related Parties" for details.

Key Components of Results of Operations

Revenues

We generated revenue primarily from the provision of individual online learning service to learners, and to a much lesser extent, from the provision of marketing services to enterprise customers. The following table sets forth a breakdown of our revenues by business line, both by absolute amount and as a percentage of our total revenues for the periods indicated.

	For the fiscal year ended June 30,					For the three months ended September 30,				
	2021		2022			2021		2022		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Individual online learning services										
Financial literacy courses	1,563,607	88.8	2,300,434	323,390	80.2	641,095	86.2	468,565	65,870	71.0
Other personal interest courses	—	—	193,896	27,257	6.8	6,685	0.9	116,520	16,380	17.7
Subtotal	1,563,607	88.8	2,494,330	350,647	87.0	647,780	87.1	585,085	82,250	88.7
Enterprise services	144,308	8.2	185,511	26,079	6.5	42,569	5.7	73,613	10,348	11.2
Others[(1)]	52,025	3.0	188,133	26,447	6.5	53,692	7.2	668	94	0.1
Total	**1,759,940**	**100.0**	**2,867,974**	**403,173**	**100.0**	**744,041**	**100.0**	**659,366**	**92,692**	**100.0**

(1) Include primarily revenues from insurance brokerage services. In early 2022, we ceased such business and disposed of it to an affiliate. For details of the transaction and pro forma impacts on our historical financial data, see "— Unaudited Pro Forma Condensed Consolidated Statement of Operations."

Our revenues from individual online learning services primarily consist of course fees we charged our learners, particularly course fees from financial literacy courses. Learners may elect to subscribe for a course package or a one-off course. We generally collect course fees in advance, which we initially record as contract liabilities. We recognize revenue from sales of our courses ratably over the longer of the corresponding contractual service period of the course and an estimated average learning time of learners ranging from one to three months, starting from the time when the courses can be accessed by learners and the payments from the learners become non-refundable. For our financial literacy courses, we generally offer learners of premium courses a full and unconditional refund within the first three months after their payment and before they unlock the courses. Our contract liabilities do not include any amount that may be refunded in the future before expiration of the full-refund period.

Our revenues from enterprise services primarily consists of leads referral fees we charge financial intermediaries for our marketing services. In June 2022, we launched enterprise talent management services and charge service fees for enterprise talent management services based on the service contents and duration. We began to recognize revenue for our enterprise talent management services from July 2022.

Cost of revenues

Costs of revenues primarily consist of labor outsourcing cost and staff costs, and to a lesser extent, third-party service costs. The following table sets forth a breakdown of our cost of revenues by nature, both by absolute amount and as a percentage of our total cost of revenues for the periods indicated.

	For the fiscal year ended June 30,					For the three months ended September 30,				
	2021		2022			2021		2022		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Labor outsourcing costs	94,736	52.9	199,848	28,094	48.9	45,805	53.2	30,341	4,265	40.4
Staff costs	47,905	26.8	149,964	21,082	36.7	23,809	27.7	30,501	4,288	40.6
Third-party service costs	22,902	12.8	40,973	5,760	10.0	13,259	15.4	10,567	1,485	14.1
Others[(1)]	13,384	7.5	17,972	2,526	4.4	3,208	3.7	3,653	514	4.9
Total	**178,927**	**100.0**	**408,757**	**57,462**	**100.0**	**86,081**	**100.0**	**75,062**	**10,552**	**100.0**

(1) Include primarily general office expenses, tax and surcharges, and depreciation and amortization expenses.

Labor outsourcing costs primarily include labor outsourcing service fees to service providers of our part-time tutors for premium courses. Staff costs primarily include salaries and benefits for our employees responsible for content development, course operations, premium course tutoring, and customer support for premium courses. Third-party service costs primarily include cloud service fees and service fees for third-party payment channels.

Operating expenses

Our operating expenses primarily consist of sales and marketing expenses, research and development expenses, and general and administrative expenses. The following table sets forth the components of our operating expenses, both by absolute amount and as a percentage of our total operating expense for the periods indicated.

	For the fiscal year ended June 30,					For the three months ended September 30,				
	2021		2022			2021		2022		
	RMB	%	RMB	US$	%	RMB	%	RMB	US$	%
	(in thousands, except for percentages)									
Operating expenses										
Sales and marketing expenses	1,694,941	88.7	2,254,459	316,927	83.7	670,172	90.3	581,158	81,698	85.7
Research and development expenses	116,265	6.1	273,484	38,446	10.1	41,976	5.7	52,301	7,352	7.7
General and administrative expenses	100,341	5.2	166,650	23,427	6.2	30,328	4.0	44,390	6,240	6.6
Total	**1,911,547**	**100.0**	**2,694,593**	**378,800**	**100.0**	**742,476**	**100.0**	**677,849**	**95,290**	**100.0**

Sales and marketing expenses. Our sales and marketing expenses primarily include (1) marketing and advertising fees paid to third-party online social media platforms to attract new users and promote our brands, and (2) compensation for our sales and marketing personnel, which includes the teaching staff for our introductory courses.

Research and development expenses. Our research and development expenses primarily include (1) compensation for our R&D personnel, and (2) professional service fees, including those incurred in the procurement of relevant technological infrastructure for R&D purposes.

General and administrative expenses. Our general and administrative expenses primarily include (1) compensation for our administrative personnel, (2) professional service fees, including legal fees, audit fees,

consulting fees and recruitment fees, and (3) office expenses incurred in the ordinary course of our administrative activities.

Taxation

Cayman Islands

QuantaSing Group Limited, our ultimate holding company, was incorporated in the Cayman Islands. The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes levied by the Cayman Islands government that are likely to be material to us, except for stamp duties which may be applicable on instruments executed in, or after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the shares will not be subject to taxation in the Cayman Islands, and no withholding will be required on the payment of a dividend or capital to any holder of the Shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

British Virgin Islands

Hundreds of Mountains Limited is our subsidiary incorporated in the British Virgin Islands (the "BVI"). All dividends, interest, rents, royalties, compensation and other amounts paid by such entity to persons who are not resident in the BVI and any capital gains realized with respect to any shares, debt obligations, or other securities of such entities by persons who are not resident in the BVI are exempt from all provisions of the Income Tax Ordinance in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the BVI with respect to any shares, debt obligation or other securities of our subsidiary incorporated in the BVI.

All instruments relating to transfers of property to or by such entity and all instruments relating to transactions in respect of the shares, debt obligations or other securities of our subsidiary incorporated in the BVI and all instruments relating to other transactions relating to the business of such entity are exempt from payment of stamp duty in the BVI. This assumes that our subsidiary incorporated in the BVI do not hold an interest in real estate in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to our subsidiary incorporated in the BVI or their shareholders.

Hong Kong

Witty Digital Technology Limited is our subsidiary incorporated in Hong Kong. Since the two-tiered profits tax regime took effect on April 1, 2018, the applicable Hong Kong profits tax rate has been 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2.0 million. During the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022, Hong Kong profits tax was not incurred, as there were no taxable profits derived from Hong Kong.

China

We operate our business through our WFOE and the VIE and its subsidiaries, which were all incorporated in China. Under the PRC Enterprise Income Tax Law ("EIT Law"), the standard enterprise income tax rate is 25%.

Entities qualifying as High and New Technology Enterprises ("HNTE") qualify for a preferential tax rate of 15%, subject to a requirement that they re-apply for HNTE status every three years. Beijing Feierlai was qualified as an HNTE in the calendar year of 2020 and is eligible for a preferential enterprise income tax rate of 15% as an HNTE in the calendar year of 2020.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in China be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The implementing rules of the EIT Law merely define the term of the "de facto management body" as "the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise." Should we be treated as a resident enterprise for PRC tax purposes, we will be subject to PRC income tax on worldwide income at a uniform tax rate of 25%.

The EIT law and its implementation rules also impose a withholding income tax of 10% on dividends distributed by a foreign investment enterprise to its immediate holding company outside China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the dividends received have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where our ultimate holding company was incorporated, does not have such tax treaty with China. According to the Arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by a foreign investment enterprise in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% if all the requirements are satisfied. We did not record any dividend withholding tax, as our WFOE, which is a foreign investment enterprise, did not have any retained earnings in any of the periods presented.

To the extent that our subsidiaries and the affiliated entities have undistributed earnings, we will accrue appropriate expected withholding tax associated with repatriation of such undistributed earnings. As of June 30, 2021 and 2022 and September 30, 2022, we did not record any withholding tax as the PRC entities were still in accumulated deficit position.

Results of Operations

The following table sets forth a summary of our results of operations for the periods presented. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. Our results of operations in any particular period are not necessarily indicative of our future trends.

	For the fiscal year ended June 30,			For the three months ended September 30,		
	2021	2022		2021	2022	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for per share data)					
Revenues	**1,759,940**	**2,867,974**	**403,173**	**744,041**	**659,366**	**92,692**
Cost of revenues	(178,927)	(408,757)	(57,462)	(86,081)	(75,062)	(10,552)
Gross profit	**1,581,013**	**2,459,217**	**345,711**	**657,960**	**584,304**	**82,140**
Operating expenses:						
Sales and marketing expenses	(1,694,941)	(2,254,459)	(316,927)	(670,172)	(581,158)	(81,698)
Research and development expenses	(116,265)	(273,484)	(38,446)	(41,976)	(52,301)	(7,352)
General and administrative expenses	(100,341)	(166,650)	(23,427)	(30,328)	(44,390)	(6,240)
Total operating expenses	**(1,911,547)**	**(2,694,593)**	**(378,800)**	**(742,476)**	**(677,849)**	**(95,290)**
Loss from operations	(330,534)	(235,376)	(33,089)	(84,516)	(93,545)	(13,150)
Other incomes, net:						
Interest income	441	387	54	20	192	27
Others, net	15,093	19,913	2,799	6,027	6,450	907
Loss before income tax	**(315,000)**	**(215,076)**	**(30,236)**	**(78,469)**	**(86,903)**	**(12,216)**
Income tax expenses	(1,037)	(18,350)	(2,580)	542	(10,375)	(1,458)
Net loss	**(316,037)**	**(233,426)**	**(32,816)**	**(77,927)**	**(97,278)**	**(13,674)**
Other comprehensive income, net	—	1,839	259	204	2,126	299
Total comprehensive loss	**(316,037)**	**(231,587)**	**(32,557)**	**(77,723)**	**(95,152)**	**(13,375)**
Net loss per ordinary share						
- Basic	(12.89)	(5.26)	(0.74)	(1.79)	(1.96)	(0.28)
- Diluted	(12.89)	(5.26)	(0.74)	(1.79)	(1.96)	(0.28)
Non-GAAP financial measures[(1)]						
Gross billings of individual online learning services	2,045,203	2,758,236	387,747	804,359	664,927	93,474
Adjusted net (loss)/profit	(214,207)	58,003	8,152	(48,794)	(50,908)	(7,156)

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures."

Three months ended September 30, 2022 compared to three months ended September 30, 2021

Revenues

Our revenues decreased by 11.4% from RMB744.0 million for the three months ended September 30, 2021 to RMB659.4 million (US$92.7 million) for the three months ended September 30, 2022, primarily due to the decrease in revenues from our financial literacy courses and other services, partially offset by the increase in revenues from other personal interest courses and enterprise services.

- *Revenues from individual online learning services.* Our revenues from individual online learning services decreased by 9.7% from RMB647.8 million for the three months ended September 30, 2021 to RMB585.1 million (US$82.3 million) for the three months ended September 30, 2022, primarily due to

a 26.9% decrease in revenues from our financial literacy courses of RMB172.5 million (US$24.3 million), partially offset by the significant increase in revenues from our other personal interest courses of RMB109.8 million (US$15.4 million). The decrease in revenues from financial literacy courses was primarily due to our strategic adjustments to diversify the course offerings provided in individual online learning services and the allocation of our marketing and corporate resources to other personal interest courses. We began to provide other personal interest courses in the second half of calendar year 2021 and experienced significant growth in the number of paying learners for the three months ended September 30, 2022 compared with that for the three months ended September 30, 2021 at the time of launch.

- *Revenues from enterprise services*. Our revenues from enterprise services increased by 72.9% from RMB42.6 million for the three months ended September 30, 2021 to RMB73.6 million (US$10.3 million) for the three months ended September 30, 2022, primarily due to the growth of our marketing services as we continued to leverage from our expanding learner base. We also began to recognize revenue for our enterprise talent management services from July 2022.
- *Revenues from other services*. Our revenues from other services decreased significantly from RMB53.7 million for the three months ended September 30, 2021 to RMB0.7 million (US$0.1 million) for the three months ended September 30, 2022, primarily due to the decrease in revenues from insurance brokerage services. In early 2022, we ceased such business and disposed of it to an affiliate. For details of the transaction and pro forma impacts on our historical financial data, see "— Unaudited Pro Forma Condensed Consolidated Statement of Operations."

Cost of revenues

Our cost of revenues decreased by 12.8% from RMB86.1 million for the three months ended September 30, 2021 to RMB75.1 million (US$10.6 million) for the three months ended September 30, 2022, primarily due to an decrease in labor outsourcing costs of RMB15.5 million (US$2.2 million), as we improved our efficiency in utilizing the relevant labor outsourcing services for our premium courses, partially offset by an increase in staff costs of RMB6.7 million (US$0.9 million), as a result of the increase in the relevant employee headcount due to our new initiatives in other personal interest courses and an increase in the share-based compensation of RMB1.5 million (US$0.2 million).

Gross profit and gross margin

As a result of the foregoing, our gross profit decreased by 11.2% from RMB658.0 million for the three months ended September 30, 2021 to RMB584.3 million (US$82.1 million) for the three months ended September 30, 2022. Our gross profit margin remained relatively stable at 88.4% and 88.6% for the three months ended September 30, 2021 and 2022, respectively.

Sales and marketing expenses

Our sales and marketing expenses decreased by 13.3% from RMB670.2 million for the three months ended September 30, 2021 to RMB581.2 million (US$81.7 million) for the three months ended September 30, 2022. This decrease was primarily due to a decrease in marketing and promotion expenses of RMB82.0 million (US$11.5 million), as we improved the efficiency of marketing and promotion activities and reallocated our sales and marketing resources in line with the strategic adjustments to our course offerings.

Research and development expenses

Our research and development expenses increased by 24.6% from RMB42.0 million for the three months ended September 30, 2021 to RMB52.3 million (US$7.4 million) for the three months ended September 30,

2022, primarily due to a significant increase in compensation for our R&D personnel of RMB11.5 million (US$1.6 million) as a result of the increase in (1) the headcount of such personnel in line with our increasing R&D efforts and (2) an increase in share-based compensation of RMB3.3 million (US$0.5 million).

General and administrative expenses

Our general and administrative expenses increased by 46.4% from RMB30.3 million for the three months ended September 30, 2021 to RMB44.4 million (US$6.2 million) for the three months ended September 30, 2022, primarily due to (1) an increase in staff costs of RMB10.7 million (US$1.5 million) as a result of the increase in the share-based compensation to our general and administrative personnel of RMB9.9 million (US$1.4 million), and (2) an increase in professional expenses of RMB2.2 million (US$0.3 million), as a result of the increase in the professional service fees in relation to our listing activities.

Loss from operations

As a result of the foregoing, we recorded a loss from operations of RMB84.5 million and RMB93.5 million (US$13.2 million) for the three months ended September 30, 2021 and 2022, respectively.

Others, net

We recognized other income/gains, net of RMB6.0 million and RMB6.5 million (US$0.9 million) for the three months ended September 30, 2021 and 2022, respectively.

Income tax expense

We recorded income tax benefit of RMB0.5 million for the three months ended September 30, 2021 and income tax expense of RMB10.4 million (US$1.5 million) for the three months ended September 30, 2022, primarily due to the increase in our taxable income.

Net loss

As a result of the foregoing, we recorded net loss of RMB77.9 million and RMB97.3 million (US$13.7 million) for the three months ended September 30, 2021 and 2022, respectively.

Fiscal year ended June 30, 2022 compared to fiscal year ended June 30, 2021

Revenues

Our revenues increased by 63.0% from RMB1,759.9 million for the fiscal year ended June 30, 2021 to RMB2,868.0 million (US$403.2 million) for the fiscal year ended June 30, 2022, primarily due to the increase in revenues from individual online learning services.

- *Revenues from individual online learning services.* Our revenues from individual online learning services increased by 59.5% from RMB1,563.6 million for the fiscal year ended June 30, 2021 to RMB2,494.3 million (US$350.6 million) for the fiscal year ended June 30, 2022, primarily due to a 47.1% increase in revenues from our financial literacy courses of RMB736.8 million (US$103.6 million) and an increase in revenues from other personal interest courses of RMB193.9 million (US$27.3 million) for the fiscal year ended June 30, 2022. This increase was primarily driven by (1) the increase in the average price of our premium financial literacy courses; and (2) the increase in the learner base for our premium financial literacy courses, primarily due to the increase in the market demand for our online financial literacy courses. For instance, the paying learners for our financial literacy courses increased from approximately 0.8 million for the fiscal year ended June 30, 2021 to 1.0

million for the fiscal year ended June 30, 2022. In addition, we also increase the price level of our premium financial literacy courses from time to time. For instance, the price levels of one of our most popular intermediate-level financial literacy course packages and one of our most popular advance-level financial literacy course packages increased by 3.5% and 13.8% in mid 2021, respectively. Our revenue growth from individual online learning services was also attributable to the launch of our other personal interest courses. We began to provide other personal interest courses in the second half of calendar 2021 and recognized revenues of RMB193.9 million (US$27.3 million) for the fiscal year ended June 30, 2022.

- *Revenues from enterprise services*. Our revenues from enterprise services increased by 28.6% from RMB144.3 million for the fiscal year ended June 30, 2021 to RMB185.5 million (US$26.1 million) for the fiscal year ended June 30, 2022, primarily due to the growth of our marketing services for enterprises as a result of the growth of our individual online learning services and the increase in our learner base. We launched our enterprise talent management services in June 2022 and expect to recognize revenue for such services from July 2022.
- *Revenues from other services*. Our revenues from other services increased significantly from RMB52.0 million for the fiscal year ended June 30, 2021 to RMB188.1 million (US$26.4 million) for the fiscal year ended June 30, 2022, primarily due to the increase in revenues from insurance brokerage services. In early 2022, we ceased such business and disposed of it to an affiliate. For details of the transaction and pro forma impacts on our historical financial data, see "— Unaudited Pro Forma Condensed Consolidated Statement of Operations."

Cost of revenues

Our cost of revenues increased significantly from RMB178.9 million for the fiscal year ended June 30, 2021 to RMB408.8 million (US$57.5 million) for the fiscal year ended June 30, 2022, primarily due to (1) a significant increase in labor outsourcing costs of RMB105.1 million (US$14.8 million), and (2) a significant increase in staff costs of RMB102.1 million (US$14.3 million). This increase was driven by (i) the increase in the relevant employee headcount in line with the expansion of our premium financial literacy courses and new initiatives in other personal interest courses, and (ii) their compensation level, including an increase in the share-based compensation of RMB21.3 million (US$3.0 million).

Gross profit and gross margin

As a result of the foregoing, our gross profit increased by 55.5% from RMB1,581.0 million for the fiscal year ended June 30, 2021 to RMB2,459.2 million (US$345.7 million) for the fiscal year ended June 30, 2022. Our gross profit margin decreased from 89.8% for the fiscal year ended June 30, 2021 to 85.7% for the fiscal year ended June 30, 2022, primarily due to the increase in our labor outsourcing costs and staff costs in line with our rapid business expansion.

Sales and marketing expenses

Our sales and marketing expenses increased by 33.0% from RMB1,694.9 million for the fiscal year ended June 30, 2021 to RMB2,254.5 million (US$316.9 million) for the fiscal year ended June 30, 2022. This increase was primarily due to (1) a 21.8% increase in marketing and promotion expenses of RMB284.4 million (US$40.0 million) as a result of the increase in marketing and advertising fees paid to third-party social media platforms to attract new learners, which is generally in line with the business growth of our individual online learning services; and (2) an increase in the compensation for our sales and marketing personnel of RMB215.6 million (US$30.3 million), as a result of the increase in their headcount and compensation level, including an increase in the share-based compensation of RMB62.7 million (US$8.8 million).

Research and development expenses

Our research and development expenses increased significantly from RMB116.3 million for the fiscal year ended June 30, 2021 to RMB273.5 million (US$38.4 million) for the fiscal year ended June 30, 2022, primarily due to a significant increase in compensation for our R&D personnel of RMB149.2 million (US$21.0 million) as a result of the increase in (1) the headcount of such personnel in line with our increasing R&D efforts and (2) their compensation level, including an increase in share-based compensation of RMB71.8 million (US$10.1 million).

General and administrative expenses

Our general and administrative expenses increased by 66.1% from RMB100.3 million for the fiscal year ended June 30, 2021 to RMB166.7 million (US$23.4 million) for the fiscal year ended June 30, 2022, primarily due to (1) a 92.9% increase in the compensation for our general and administrative personnel of RMB46.5 million (US$6.5 million), as a result of the increase in their headcount and compensation level, including an increase in the share-based compensation of RMB33.7 million (US$4.7 million); and (2) an increase in office expenses of RMB10.4 million (US$1.5 million) due to our growing operational needs.

Loss from operations

As a result of the foregoing, we recorded a loss from operations of RMB330.5 million and RMB235.4 million (US$33.1 million) for the fiscal years ended June 30, 2021 and 2022, respectively.

Others, net

We recognized other income/gains, net of RMB15.1 million and RMB19.9 million (US$2.8 million) for the fiscal years ended June 30, 2021 and 2022, respectively. The increase is primarily due to (1) an increase in fair value gains of short-term investments of RMB2.5 million (US$0.4 million), as the balance of our wealth management products increased, (2) the increase in other items of RMB5.3 million (US$0.7 million) primarily due to the super deduction of certain value-added tax, partially offset by (3) a decrease in government grants of RMB2.9 million (US$0.4 million).

Income tax expense

Our income tax expense increased significantly from RMB1.0 million for the fiscal year ended June 30, 2021 to RMB18.4 million (US$2.6 million) for the fiscal year ended June 30, 2022, primarily due to the increase in our taxable income.

Net loss

As a result of the foregoing, we recorded net loss of RMB316.0 million and RMB233.4 million (US$32.8 million) for the fiscal years ended June 30, 2021 and 2022, respectively.

Selected Quarterly Results of Operations

The following table sets forth our selected unaudited consolidated results of operations for each of the nine quarters from July 1, 2020 to September 30, 2022. The consolidated quarterly financial information includes all normal recurring adjustments that we consider necessary for a fair representation of our results of operations for the quarters presented. Our historical results of operations are not necessarily indicative of results of operations expected for future periods. The following selected unaudited quarterly financial data is qualified by reference to, and should be read in conjunction with, our consolidated financial statements and related notes included elsewhere in this prospectus.

	For the three months ended								
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	September 30, 2022
	(RMB in thousands)								
Revenues	**197,601**	**391,555**	**565,463**	**605,321**	**744,041**	**803,976**	**690,914**	**629,043**	**659,366**
Cost of revenues	(13,477)	(39,049)	(52,708)	(73,693)	(86,081)	(100,869)	(114,249)	(107,558)	(75,062)
Gross Profit	**184,124**	**352,506**	**512,755**	**531,628**	**657,960**	**703,107**	**576,665**	**521,485**	**584,304**
Operating expenses:									
Sales and marketing expenses	(188,770)	(390,448)	(429,777)	(685,946)	(670,172)	(560,175)	(492,665)	(531,447)	(581,158)
Research and development expenses	(6,137)	(19,455)	(15,409)	(75,264)	(41,976)	(51,581)	(47,301)	(132,626)	(52,301)
General and administrative expenses	(22,331)	(21,583)	(21,310)	(35,117)	(30,328)	(38,539)	(35,152)	(62,631)	(44,390)
Total operating expenses	**(217,238)**	**(431,486)**	**(466,496)**	**(796,327)**	**(742,476)**	**(650,295)**	**(575,118)**	**(726,704)**	**(677,849)**
(Loss)/Income from operations	**(33,114)**	**(78,980)**	**46,259**	**(264,699)**	**(84,516)**	**52,812**	**1,547**	**(205,219)**	**(93,545)**
Other income:									
Interest income	56	34	166	185	20	61	124	182	192
Others, net	1,227	3,374	3,865	6,627	6,027	1,890	6,515	5,481	6,450
(Loss)/Income before income tax	**(31,831)**	**(75,572)**	**50,290**	**(257,887)**	**(78,469)**	**54,763**	**8,186**	**(199,556)**	**(86,903)**
Income tax expense/(benefit)	—	(2,108)	542	529	542	(8,686)	(8,072)	(2,134)	(10,375)
Net (loss)/Income	**(31,831)**	**(77,680)**	**50,832**	**(257,358)**	**(77,927)**	**46,077**	**114**	**(201,690)**	**(97,278)**

We experienced continued revenue growth for the six quarters from July 1, 2020 to December 31, 2021, primarily due to the overall increase in revenues from our financial literacy courses, and the increase in revenues from insurance brokerage services for the quarters ended June 30, 2021 and December 31, 2021. We experienced a decrease in revenues for the two quarters from January 1, 2022 to June 30, 2022, and then an increase for the quarter ended September 30, 2022, primarily due to (1) our strategic adjustments to diversify the course offerings provided in individual online learning services, including the development of certain new courses and the allocation of our marketing and corporate resources to new courses; (2) the seasonal fluctuation of individual online learning services, which typically leads to lower revenues in the last two quarters of our fiscal year when our and the overall marketing and promotional activities are less active as a result of the Chinese New Year holiday and the market conditions in general; and (3) the disposal of insurance brokerage services to an affiliate in early 2022.

We experienced continued increase in our cost of revenues for the six quarters from July 1, 2020 to December 31, 2021, which is generally in line with our revenue growth. Our cost of revenues fluctuated for the two quarters from January 1, 2022 to June 30, 2022, as we experienced fluctuations in our labor outsourcing and staff costs due to changes in our business and strategic needs and the increase in our share-based compensation expenses for the quarter ended June 30, 2022. Our cost of revenues decreased for the quarter ended September 30, 2022, primarily due to the decrease in share-based compensation and the decrease in our labor outsourcing and staff costs due to changes in our business and strategic needs.

Our operating expenses generally increased for the four quarters from July 1, 2020 to June 30, 2021, which was in line with our rapid business expansion. For the three quarters from July 1, 2021 to March 31, 2022, (1) our sales and marketing expenses decreased as we adjusted our sales and marketing efforts and benefited from greater operating efficiency with such activities, and (2) our research and development expenses and general and administrative expenses fluctuated with our business and strategic needs. We experienced an increase in our operating expenses for the quarter ended June 30, 2022, primarily due to the increase in our share-based compensation expenses. Our operating expenses generally decreased for the quarter ended September 30, 2022, primarily due to the decrease in our share-based compensation expenses, partially offset by the increase in certain other operating expenses in line with our operational needs, such as our marketing and promotion expenses.

For details of the results of operations for the quarter ended September 30, 2021 and 2022, see "— Results of operation — Three months ended September 30, 2022 compared to three months ended September 30, 2021."

Non-GAAP Financial Measures

Gross billings of individual online learning services

Gross billings is a non-GAAP financial measure. We define gross billings for a specific period as revenues of our individual online learning services net of the changes in deferred revenues in such period, further adjusted by value-added tax and certain cost deduction in such period. Our management uses gross billings as a performance measurement because we generally bill our learners for the entire course fee at the time of sale of our course offerings and recognize revenue ratably over the longer of the corresponding contractual service period of the course and an estimated average learning time of our learners. We believe that gross billings provide valuable insight into the sales of our courses and our business performance.

Investors should not consider this non-GAAP financial measure in isolation from, or as a substitute for, its most directly comparable financial measure prepared in accordance with U.S. GAAP. A reconciliation of the historical non-GAAP financial measure to its most directly comparable U.S. GAAP measure has been provided in the financial statement tables included below. Investors are encouraged to review the reconciliation of the historical non-GAAP financial measure to its most directly comparable U.S. GAAP financial measure. As gross billings have material limitations as an analytical metrics and may not be calculated in the same manner by all companies, it may not be comparable to other similarly titled measures used by other companies. In light of the foregoing limitations, investors should not consider gross billings as a substitute for, or superior to, revenues prepared in accordance with U.S. GAAP. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

The following table below sets forth a reconciliation of our gross billings to revenues for the periods indicated.

	For the fiscal year ended June 30,			For the three months ended September 30,		
	2021	2022		2021	2022	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Revenues of individual online learning services:	1,563,607	2,494,330	350,647	647,780	585,085	82,250
Add: value-added tax	109,031	155,851	21,909	41,564	37,976	5,339
Add: cost deduction(1)	—	3,681	518	967	—	—
Add: ending deferred revenues(2)	427,288	531,662	74,740	541,336	573,528	80,625
Less: beginning deferred revenues(2)	(54,723)	(427,288)	(60,067)	(427,288)	(531,662)	(74,740)
Gross billings of individual online learning services:	2,045,203	2,758,236	387,747	804,359	664,927	93,474

(1) Cost deduction represents the costs paid to third-party content providers of certain cooperative personal interest courses, for which we collected tuition fees from learners on behalf of the content providers and recognized revenue on a net basis.

(2) Deferred revenues include contract liabilities, advance from customers, and refund liability of individual online learning services included in "accrued expenses and other current liabilities."

Adjusted net (loss)/profit

To supplement our consolidated financial statements which are presented in accordance with U.S. GAAP, we also use adjusted net profit/loss as an additional non-GAAP financial measure. We define adjusted net profit/loss as net profit/loss excluding share-based compensation. We present this non-GAAP financial measure because our management uses it to evaluate our operating performance. We also believe that this non-GAAP financial measure provides useful information to investors and others in understanding and evaluating the consolidated financial results in the same manner as our management and in comparing financial results across accounting periods and to those of our peer companies.

This non-GAAP financial measure adjusts for the impact of items that we do not consider indicative of the operational performance of our business and should not be considered in isolation or construed as an alternative to net profit/loss or any other measure of performance or as an indicator of our future performance. Investors are encouraged to compare this historical non-GAAP financial measure with the most directly comparable U.S. GAAP measures. Adjusted net profit/loss presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

The following table sets forth a reconciliation of our adjusted net (loss)/profit to net loss for the periods indicated.

	For the fiscal year ended June 30,			For the three months ended September 30,		
	2021	2022		2021	2022	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Net loss	(316,037)	(233,426)	(32,816)	(77,927)	(97,278)	(13,674)
Add: Share-based compensation	101,830	291,429	40,968	29,133	46,370	6,518
Adjusted net (loss)/profit	(214,207)	58,003	8,152	(48,794)	(50,908)	(7,156)

Liquidity and Capital Resources

The following table sets forth a summary of our cash flows for the periods presented.

	For the fiscal year ended June 30,			For the three months ended September 30,	
	2021	2022		2022	
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Net cash provided by operating activities	79,425	272,636	38,325	28,464	4,001
Net cash (used in)/provided by investing activities	(62,353)	(108,581)	(15,263)	153,311	21,552
Net cash (used in)/provided by financing activities	(21,093)	71,629	10,070	—	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	5,642	793	2,126	299
Net (decrease)/increase in cash and cash equivalents and restricted cash	(4,021)	241,326	33,925	183,901	25,852
Cash and cash equivalents and restricted cash at the beginning of the period	29,122	25,101	3,529	266,427	37,454
Cash and cash equivalents and restricted cash at the end of the period	25,101	266,427	37,454	450,328	63,306

To date, we have financed our operating and investing activities primarily through net cash generated by operating activities and cash from historical equity financing activities. As of June 30, 2021 and 2022 and September 30, 2022, our cash and cash equivalents and restricted cash were RMB25.1 million, RMB266.4 million (US$37.5 million) and RMB450.3 million (US$63.3 million), respectively. Our cash and cash equivalents primarily consist of cash on hand and deposits which have original maturities of three months or less and are readily convertible to cash. As of June 30, 2021 and 2022 and September 30, 2022, our short-term investments were RMB29.6 million, RMB132.6 million (US$18.6 million) and RMB6.1 million (US$0.9 million), respectively. Short-term investments include wealth management product of variable interest rates from financial institutions.

We believe that our current cash and cash equivalents, short-term investments, and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements and capital expenditures for at least the next 12 months from the date of this prospectus. After this offering, we may decide to enhance our liquidity position or increase our cash reserve for future investments through additional capital injection and financial activities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our business operations. We cannot assure you that any financing will be available in amounts or on terms acceptable to us, if at all.

As of September 30, 2022, 90.6% and 9.4% of our cash and cash equivalents and restricted cash were held in mainland China and Hong Kong, respectively. As of September 30, 2022, 90.6% and 9.4% of our cash and cash equivalents and restricted cash were denominated in Renminbi and U.S. dollars, respectively. As of September 30, 2022, all of our short-term investment was held in mainland China. As of September 30, 2022, 49.4% of cash and cash equivalents and restricted cash and nil of our short-term investments were held by the affiliated entities.

The COVID-19 pandemic did not result in any material impairments, allowances, charges or changes in accounting judgments on our balance sheet as of June 30, 2021 and 2022 and September 30, 2022. In addition, the COVID-19 pandemic did not result in any change to the terms and conditions of our existing debt and other obligations, nor did it have any material negative effect on our ability to timely service them.

Although we consolidate the financial results of the affiliated entities, we only have access to their assets or earnings through our contractual arrangements with the VIE and its shareholder. See “Corporate History and Structure — Contractual Arrangements.” For restrictions and limitations on liquidity and capital resources as a result of our corporate structure, see “— Holding Company Structure.”

In utilizing the proceeds we expect to receive from this offering, we may make additional capital contributions to our WFOE, which is a PRC subsidiary, establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, make loans to our WFOE, or acquire offshore entities with operations in China in offshore transactions. However, most of these uses are subject to PRC regulations. See “Risk Factors — Risks Related to Doing Business in China — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our WFOE, which could materially and adversely affect our liquidity and our ability to fund and expand our business” and “Use of Proceeds.”

All of our revenues have been, and we expect they are likely to continue to be, in the form of Renminbi. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments, and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our WFOE is allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, current PRC regulations permit our WFOE to pay dividends to us only out of its accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. Our WFOE is required to set aside at least 10% of its after-tax profits after making up

previous years' accumulated losses each year, if any, to fund certain reserve funds until the total amount set aside reaches 50% of its registered capital. These reserves are not distributable as cash dividends. Historically, our WFOE has not paid dividends to us, and they will not be able to pay dividends until they generate accumulated profits. Furthermore, capital account transactions, which include foreign direct investment and loans, must be approved by and/or registered with SAFE, its local branches and certain local banks. As a Cayman Islands exempted company and offshore holding company, we are permitted under PRC laws and regulations to provide funding to our WFOE only through loans or capital contributions, subject to the approval, filings or registration of government authorities and limits on the amount of capital contributions and loans. The PRC government may at its discretion restrict access to foreign currencies for current account transactions or capital account transactions in the future. See "Risk Factors — Risks Related to Doing Business in China — Restrictions on the remittance of Renminbi into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment."

Operating activities

Our net cash provided by operating activities for the three months ended September 30, 2022 was RMB28.5 million (US$4.0 million), primarily due to net loss of RMB97.3 million (US$13.7 million), as adjusted primarily by certain non-cash items, including share-based compensation of RMB46.4 million (US$6.5 million), and changes in working capital that positively affected our operating cash flows, including (1) an increase in contract liability of RMB47.3 million (US$6.7 million), primarily due to the increase in course fees collected that had not been recognized as revenues, as a result of the expansion of our other personal interest courses; (2) an increase in accrued expenses and other current liabilities of RMB18.8 million (US$2.6 million), primarily due to the increases in (i) accrued employee payroll and welfare benefits, primarily due to the increase in the employee headcount in line with our business expansion, and (ii) other tax payable primarily due to the increase in value-added tax payable; and (3) an increase in accounts payables RMB24.6 million (US$3.5 million), primarily due to the increase of promotion fees payable, partially offset by changes in working capital that negatively affected our operating cash flows, including (1) a decrease in advance from customers of RMB8.0 million (US$1.1 million), primarily relating to learners' prepayment of course fees; and (2) an increase in prepayments and other current assets of RMB3.8 million (US$0.5 million), primarily due to an increase in prepayments for promotion fees.

Our net cash provided by operating activities for the fiscal year ended June 30, 2022 was RMB272.6 million (US$38.3 million), primarily due to net loss of RMB233.4 million (US$32.8 million), as adjusted primarily by certain non-cash items, including share-based compensation of RMB291.4 million (US$41.0 million), and changes in working capital that positively affected our operating cash flows, including (1) a decrease in accounts receivable of RMB55.4 million (US$7.8 million), as we imposed stricter control over our accounts receivable related to our marketing services; (2) an increase in contract liability of RMB99.5 million (US$14.0 million), primarily due to the increase in course fees collected that had not been recognized as revenues, as a result of the expansion of our individual online learning services; (3) an increase in accrued expenses and other current liabilities of RMB61.0 million (US$8.6 million), primarily due to the increases in (i) accrued employee payroll and welfare benefits, primarily due to the increase in the employee headcount in line with our business expansion, (ii) other accrued expense primarily relating to our accrued listing expenses and business expenses, and (iii) other tax payable primarily due to the increase in value-added tax payable; and (4) an increase in advance from customers of RMB17.9 million (US$2.5 million), primarily due to the growth of our individual online learning services, partially offset by changes in working capital that negatively affected our operating cash flows, including (1) an increase in amount due from related parties of RMB23.2 million (US$3.3 million) representing the marketing income received from Beijing Baichuan; and (2) an increase in operating lease right-of-use assets of RMB14.6 million (US$2.0 million), primarily due to the increase in office space leased to meet our growing business needs.

Our net cash provided by operating activities for the fiscal year ended June 30, 2021 was RMB79.4 million, primarily due to net loss of RMB316.0 million, as adjusted primarily by certain non-cash items, including share-

based compensation of RMB101.8 million, and changes in working capital that positively affected our operating cash flows, including (1) an increase in contract liability of RMB253.6 million, primarily due to the increase in course fees collected that had not been recognized as revenues as a result of the expansion of our individual online learning services; (2) an increase in advance from customers of RMB119.0 million, primarily due to the growth of our individual online learning services; (3) an increase in accrued expenses and other current liabilities of RMB54.5 million, primarily due to the increase in accrued employee payroll and welfare benefits due to the increase in employee headcount and compensation level; and (4) an increase in accounts payables of RMB62.1 million, primarily due to the increase of promotion fees as we increased our sales and marketing efforts, partially offset by changes in working capital that negatively affected our operating cash flows, including (1) an increase in prepayments and other current assets of RMB96.8 million primarily due to the increases in deferred expense and prepayments for promotion fees as we increased our sales and marketing efforts; and (2) an increase in accounts receivable of RMB98.9 million, primarily relating to the growth of our marketing services.

Investing activities

Our net cash provided by investing activities for the three months ended September 30, 2022 was RMB153.3 million (US$21.6 million), primarily due to proceeds from short-term investments of RMB540.0 million (US$75.9 million), partially offset by purchase of short-term investments of RMB414.0 million (US$58.2 million) representing wealth management products.

Our net cash used in investing activities for the fiscal year ended June 30, 2022 was RMB108.6 million (US$15.3 million), primarily due to purchase of short-term investments of RMB976.7 million (US$137.3 million) representing wealth management products, and loan provided to related parties of RMB129.4 million (US$18.2 million) representing certain intra-group loan transactions, partially offset by proceeds from short-term investments of RMB873.7 million (US$122.8 million) due to the redemption of wealth management products and loan repaid by related parties of RMB109.4 million (US$15.4 million) representing certain intra-group loan transactions.

Our net cash used in investing activities for the fiscal year ended June 30, 2021 was RMB62.4 million, primarily due to (1) purchase of short-term investments of RMB434.6 million representing wealth management products; (2) purchase of intangible assets of RMB29.8 million reflecting the procurement of certain insurance brokerage license; and (3) purchase of property, plant and equipment of RMB5.8 million, partially offset by proceeds from short-term investments of RMB405.6 million due to the redemption of wealth management products.

Financing activities

Our net cash used in financing activities was nil for the three months ended September 30, 2022.

Our net cash provided by financing activities for the fiscal year ended June 30, 2022 was RMB71.6 million (US$10.1 million), primarily due to the contribution from the shareholders, subsidiaries and consolidated variable interest entities of Witty network Limited and EW Technology Limited (collectively, the “Predecessors”) of RMB95.0 million (US$13.4 million) and proceeds from loans from Predecessors of RMB122.8 million (US$17.3 million), partially offset by repayment of loans to Predecessors of RMB146.2 million (US$20.6 million).

Our net cash used in financing activities for the fiscal year ended June 30, 2021 was RMB21.1 million, primarily due to the distribution to Predecessors of RMB37.0 million and repayment of loans to Parent of RMB36.8 million, partially offset by proceeds from loans from Predecessors of RMB52.7 million.

Capital Expenditure

We made capital expenditures of RMB5.8 million, RMB4.6 million (US$0.6 million) and RMB65,000 (US$9,000) for the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022,

respectively. Our capital expenditures primarily consist of computers and electronic equipment, office furniture and equipment, and leasehold improvement. We expect to continue to incur similar capital expenditure in the future as we grow our business, including capital expenditure on computers and electronic equipment for our newly launched enterprise talent management service. We intend to fund our future capital expenditures with our existing cash balance and proceeds from this offering. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual Obligations

We did not have any significant capital and other commitments, long-term obligations or guarantees as of September 30, 2022.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. In addition, we have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. We do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in product development services with us.

Internal Control over Financial Reporting

Prior to this offering, we have been a private company with limited accounting personnel and other resources with which to address our internal control over financial reporting. Our management has not completed an assessment of the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting.

In the course of preparing and auditing our consolidated financial statements as of and for the fiscal years ended June 30, 2021 and 2022, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting as of June 30, 2022. As defined in the standards established by the PCAOB, a "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

The material weakness identified relates to lack of sufficient financial reporting and accounting personnel with appropriate knowledge of U.S. GAAP and reporting requirements set forth by the SEC to properly address complex U.S. GAAP technical accounting issues, and to prepare and review the consolidated financial statements and related disclosures in accordance with U.S. GAAP and financial reporting requirements set forth by the SEC. The material weakness, if not remediated timely, may lead to material misstatements in our consolidated financial statements in the future. Prior to preparing for this offering, neither we nor our independent registered public accounting firm had undertaken a comprehensive assessment of our internal control for purposes of identifying and reporting material weaknesses and other control deficiencies in our internal control over financial reporting. Had we performed a formal assessment of our internal control over financial reporting or had our independent registered public accounting firm performed an audit of our internal control over financial reporting, additional deficiencies may have been identified.

To remedy our identified material weakness, we have begun to, and will continue to establish clear roles and responsibilities for accounting and financial reporting staff members to address complex accounting and financial reporting issues and to prepare and review consolidated financial statements, including the related disclosures, under U.S. GAAP and SEC reporting requirements. In addition, we plan to improve our internal control over

financial reporting through the following measures, among others: (1) develop and implement a comprehensive set of processes and internal controls to timely and appropriately (i) identify transactions that may be subject to complex U.S. GAAP accounting treatment, (ii) analyze the transactions in accordance with the relevant U.S. GAAP, and (iii) review the accounting technical analysis; (2) enhance our financial closing and reporting policies and procedures and business process level internal controls relevant to the complex transactions to ensure that they are properly accounted for in accordance with U.S. GAAP; (3) hire additional accounting staff members with U.S. GAAP and SEC reporting experiences to implement the abovementioned financial reporting procedures and internal controls to ensure the consolidated financial statements and related disclosures under U.S. GAAP and SEC reporting requirements are prepared appropriately on a timely basis; and (4) establish an ongoing training program to provide sufficient and appropriate trainings for accounting and financial reporting personnel, including trainings related to U.S. GAAP and SEC reporting requirements.

However, we cannot assure you that we will remediate our material weakness in a timely manner. See “Risk Factors — Risks Related to Our Business and Industry — A material weakness in our internal control over financial reporting has been identified, and if we fail to implement and maintain an effective system of internal control over financial reporting, we could be unable to accurately report our results of operations, meet our reporting obligations or prevent fraud, and investor confidence and the market price of the ADSs may be materially and adversely affected.”

As a company with less than US$1.07 billion in revenue for the last fiscal year, we qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company’s internal control over financial reporting.

Holding Company Structure

QuantaSing Group Limited is a holding company with no material operations of its own, and its business are primarily operated through our WFOE and the affiliated entities in China. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries and fees paid by the affiliated entities to our WFOE. If our existing subsidiaries or any newly formed ones incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us.

In addition, our WFOE is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under PRC law, each of our WFOE and affiliated entities in China is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of their registered capital. In addition, our WFOE and the affiliated entities may allocate a portion of its after-tax profits based on PRC accounting standards to a surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Remittance of dividends by our WFOE out of China is subject to certain procedures with the banks designated by SAFE.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding from the proceeds of our offshore fundraising activities to our WFOE only through loans or capital contributions and to the affiliated entities only through loans, in each case subject to the satisfaction of the applicable government registration and approval requirements.

For details of the consolidated financial information relating to QuantaSing Group Limited, the affiliated entities and our non-VIE entities, see “Prospectus Summary — Summary Consolidated Financial and Operating Data — Financial Information Relating to the Affiliated Entities.”

Quantitative and Qualitative Disclosures about Market Risk

Foreign exchange risk

Our operating transactions are mainly denominated in RMB and, therefore, we are exposed to risks related to movements between Renminbi and U.S. dollars. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk In addition, the value of your investment in the ADSs will be affected by the exchange rate between U.S. dollars and Renminbi because the value of our business is effectively denominated in Renminbi, and the ADSs will be traded in U.S. dollars.

The value of Renminbi against U.S. dollars is subject to changes by the central government policies and to international economic and political developments, among other things. On July 21, 2005, the PRC government changed its policy of pegging the value of Renminbi to U.S. dollars. Since October 1, 2016, the Renminbi has joined the International Monetary Fund's basket of currencies that make up the Special Drawing Right, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system. It is difficult to predict how market forces and government policies may impact the exchange rate between the U.S. dollars and Renminbi in the future. Since June 2010, the RMB has fluctuated against the US dollar, at times significantly and unpredictably. For instance, while appreciating approximately by 1% against the U.S. dollar in 2019, the Renminbi in 2020 and 2021 depreciated approximately by 6.3% and 2.3%, respectively, against the U.S. dollar. In August 2019, Renminbi once plunged to the weakest level against the U.S. dollar in more than a decade, which raised fears of further escalation in the Sino-US trade friction as the United States labeled China as a currency manipulator after such sharp depreciation. Since mid 2022, Renminbi has depreciated against the U.S. dollar under the joint impact of multiple factors, such as the tightening monetary policies of the United States. There is also no assurance that the Renminbi will not appreciate or depreciate significantly against the U.S. dollars in the future.

As of June 30, 2021 and 2022 and September 30, 2022, our cash and cash equivalents, restricted cash and short-term investments denominated in Renminbi were RMB54.7 million, RMB346.7 million and RMB414.1 million, respectively, accounting for 100.0%, 86.9% and 90.7% of our total cash and cash equivalents, restricted cash and short-term investments as of the same time, respectively.

To the extent that we need to convert U.S. dollars into Renminbi for operations, appreciation of Renminbi against the U.S. dollar would reduce the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would reduce the U.S. dollar amounts available to us.

We estimate that we will receive net proceeds of approximately US$ million from this offering, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, assuming the underwriters do not exercise their option to purchase additional ADSs, based on the initial offering price of US$ per ADS. Assuming that we convert the full amount of the net proceeds from this offering into RMB, a 10% appreciation of the U.S. dollar against RMB, from a rate of RMB7.1135 to US$1.00 to a rate of RMB7.8249 to US$1.00, will result in an increase of RMB million in our net proceeds from this offering. Conversely, a 10% depreciation of the U.S. dollar against the RMB, from a rate of RMB7.1135 to US$1.00 to a rate of RMB6.4022 to US$1.00, will result in a decrease of RMB million in our net proceeds from this offering.

Concentration risk

No customers individually represented greater than 10% of our total revenues for the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022. There were three, one and one

customer individually represented more than 10% of our net accounts receivables as of June 30, 2021 and 2022 and September 30, 2022, respectively. There was one supplier, an advertising and marketing promotion agency, that individually represented more than 10% of our total costs and expenses for the fiscal year ended June 30, 2021. No suppliers individually represented more than 10% of our total costs and expenses for the fiscal year ended June 30, 2022 and the three months ended September 30, 2022.

Credit risk

Financial instruments that potentially expose us to significant concentration of credit risk primarily consist of cash and cash equivalents and short-term investment. As of June 30, 2021 and 2022 and September 30, 2022, substantially all our cash and cash equivalents and short-term investments were held in major financial institutions located in mainland China and Hong Kong, which our management considered to be of high credit quality.

Inflation

To date, the inflation in China has not materially affected our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2020 and 2021 were increases of 0.2% and 1.5%, respectively. Although our results of operations have not been materially affected by historical inflation, we may be affected if the inflation rate in China becomes higher in the future.

Research and Development, Patents and Licenses

For information about our proprietary intellectual properties and our research and development policies, see “Business — Technology and Infrastructure” and “Business — Intellectual Property.”

Critical Accounting Estimates

We prepare our financial statements in accordance with U.S. GAAP, which requires our management to make judgments, estimates and assumptions. We continually evaluate these judgments, estimates and assumptions based on our own historical experience, knowledge and assessment of current business and other conditions, our expectations regarding the future based on available information and various assumptions that we believe to be reasonable, which together form our basis for making judgments about matters that are not readily apparent from other sources. Changes in facts and circumstances may result in revised estimates. Actual results could differ from those estimates, and as such, differences may be material to the consolidated financial statements.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our results of operations or financial condition. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements. For a detailed discussion of our significant accounting policies and related judgments, see note 2 to our consolidated financial statements included elsewhere in this prospectus.

Revenue recognition based on the expected learning period of the customers

Starting dates of the training camps delivery are pre-determined. Contractually, by accessing our online platforms, the paying learners retain access to the training camps or self-study e-learnings they purchased for a specified course period (typically 14 calendar days for a training camp and 90 calendar days for a self-study e-

learning) from the training camp commencement date or the purchase date of the e-learnings. However, we in practice discretionally allow the paying learners to retain access to the course content beyond the corresponding contractual expiry dates. Therefore, we recognize online course revenue ratably over the longer of the corresponding contractual service period and the estimated average learning period of the paying learners, starting when the online courses can be accessed by the paying learners and the payments from the paying learners become non-refundable.

The average learning period for each course is subject to periodic assessment. We consider a variety of relevant data when estimating the average learning period of paying learners for each individual online course, including (1) the weighted-average number of days between paying learner's first and last access to the course contents, and (2) the weighted average total hours spent by paying learners in learning the course contents.

For the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2022, the average learning period of paying learners is estimated to range from one to three months. While we believe our estimates to be reasonable based on the currently available paying learner information, we may revise such estimates in the future according to the change in pattern of paying learners' learning behavior. Any adjustments arising from changes in the estimates of the average learning periods is applied prospectively. Considering that the events or circumstances may change to suggest changes in the estimate be made, we assess the average learning period for different courses on an annual basis or more frequently when there is an indicator for changes in circumstances.

Changes in assumptions or estimates can materially affect average learning period for different courses and, therefore, can affect the results in revenue recognition. In connection with our periodic reviews of the estimate, the assumptions are evaluated accordingly considering historical customers' learning behavior and management's judgment. Updates to these assumptions will affect the average learning period for each course and the revenue recognized accordingly. If the estimated average learning period is extended, the revenue will be recognized over a longer period and vice versa. See note 2 to our consolidated financial statements included elsewhere in this prospectus for additional information regarding our revenue recognition policies.

Share-based compensation

Fair value of options

QuantaSing Group Limited, Witty network Limited and EW Technology Limited have granted options and restricted shares with their own underlying shares, and used the discounted cash flow method to determine the underlying equity fair value of us or the Predecessors and adopted an equity allocation model to determine the fair value of the underlying ordinary shares. The determination of estimated fair value of share-based payment awards on the grant date using binomial option pricing model is affected by the fair value of the ordinary shares as well as assumptions regarding a number of complex and subjective variables. These variables include the expected value volatility of the ordinary shares over the expected term of the awards, actual and projected employee share option exercise behaviors, a risk-free interest rate and any expected dividends. See "Dividend Policy" for details.

The fair value of the options granted is estimated on the dates of grant using the binomial option pricing model with the following assumptions used.

	For the fiscal years ended June 30,		For the three months ended September 30,
	2021	2022	2022
Expected volatility[1]	44.00%-52.18%	44.04%-45.32%	46.01%
Risk-free interest rate (per annum)[2]	0.69%-1.69%	1.48%-2.39%	3.15%
Expected dividend yield[3]	0.00%	0.00%	0.00%
Expected term (in years)[4]	10	10	10
Fair value of the underlying shares on the date of option grants (US$)	0.50-2.80	3.08-3.87	3.80

(1) We estimate expected volatility based on the annualized standard deviation of the daily return embedded in historical share prices of comparable companies with a time horizon close to the expected expiry of the term.
(2) We estimate risk-free interest rate based on the daily treasury long-term rate of U.S. Department of the Treasury with a maturity period close to the contract term of the options.
(3) Neither we nor the Predecessors, have declared or paid any cash dividends on our capital stock, and we do not anticipate any dividend payments on our ordinary shares in the foreseeable future.
(4) The expected term is the contract life of the option.
(5) We determined fair value of underlying ordinary shares with the assistance of a third-party appraiser.

Assumptions are updated at each grant date of new stock options.

See note 14 of to our consolidated financial statements included elsewhere in this prospectus for more information regarding accounting for share-based compensation.

Fair value of ordinary shares

In determining our equity value, we applied the discounted cash flow method to determine the underlying equity fair value of us or the Predecessors based on our projected cash flows using our best estimate as of the valuation date. The determination of the fair value of our ordinary shares requires complex and subjective judgments to be made regarding our projected financial and operating results, unique business risks, and operating history and prospects at the time of valuation, as well as the liquidity of our shares.

The following table sets forth the fair value of the Predecessors' ordinary shares before the restructuring and spin-off estimated at the grant dates of share options with the assistance from an independent valuation firm.

Date of Valuation	Fair Value Per Share (US$)	Discount for Lack of Marketability	Weighted Average Costs of Capital
July 1, 2020	0.50	20.00%	22%
January 1, 2021	1.54	17.25%	22%
April 1, 2021	2.80	17.00%	22%
July 1, 2021	3.08	15.00%	21%
October 1, 2021	3.41	12.00%	21%
January 1, 2022	3.63	12.00%	21%
April 1, 2022	3.85	11.75%	21%
May 31, 2022	3.87	11.75%	21%

The following table sets forth the fair value of our ordinary shares subsequent to the restructuring and spin-off estimated at the grant dates of share options with the assistance from an independent valuation firm.

Date of Valuation	Fair Value Per Share (US$)	Discount for Lack of Marketability	Weighted Average Costs of Capital
May 31, 2022	3.67	11.75%	21%
August 31, 2022	3.80	8.50%	21%

The income approach involves applying appropriate weighted average costs of capital ("WACCs") to estimated cash flows that are based on earnings forecasts. Our revenues and earnings growth rates, as well as major milestones that we have achieved, contributed to the increase in the fair value of our ordinary shares from July 1, 2020 to August 31, 2022. The assumptions used in deriving the fair values are consistent with our business plan. These assumptions include: (1) no material changes in the existing political, legal and economic conditions in China; (2) our ability to retain competent management, key personnel and staff to support ongoing

operations; and (3) no material deviation in market conditions from economic forecasts. These assumptions are inherently uncertain.

The hybrid method, comprising of the probability-weighted expected return method and the option pricing method, was used to allocate equity value of our company to preferred and ordinary shares, considering the guidance prescribed by the AICPA Audit and Accounting Practice Aid. This method involves making estimates of the anticipated timing of a potential liquidity event, such as a sale of our company or an initial public offering and estimates of the volatility of our equity securities. The anticipated timing is based on the plans of our board of directors and management. The higher the volatility, the greater the potential change in the fair value of ordinary shares.

The major assumptions used in calculating the fair value of ordinary shares include:

- *WACCs:* WACCs were determined based on a consideration of the factors including risk-free rate, comparative industry risk, equity risk premium, company size and non-systematic risk factors.
- *Comparable companies:* In deriving the weighted average cost of capital used as the discount rates under the income approach, certain publicly traded companies were selected for reference as our guideline companies. The guideline companies were selected based on the following criteria: (i) they operate in the online education service industry and (ii) their shares are publicly traded in the United States.
- *Discount for lack of marketability:* The discount for lack of marketability ("DLOM") was quantified by the Finnerty's Average-Strike put options mode. Under this option-pricing method, which assumed that the put option is struck at the average price of the stock before the privately held shares can be sold, the cost of the put option was considered as a basis to determine the DLOM.

The following table estimates the effect of changes in key assumptions on the consolidated financial statements.

Assumption	Basic Point Change	Increase/(Decrease) of share-based compensation expenses for the fiscal year ended June 30,	
		2021	2022
		(in thousands)	
Forecasted revenue	+/– 10%	9,512/(9,686)	32,875/(33,071)
WACC	+/– 100 bps	(5,910)/6,558	(18,112)/20,122

Once a public trading market of the ADSs has been established in connection with the completion of this offering, it will no longer be necessary for us to estimate the fair value of our ordinary shares in connection with our accounting for granted share options.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We regularly re-evaluate our assumptions, judgments and estimates. For details of our accounting policies and significant judgments and estimates used in the preparation of our financial statements, see note 2 to our consolidated financial statements included elsewhere in this prospectus.

Recently Issued Accounting Pronouncements

For detailed discussion of recent accounting pronouncements, see note 2 to our consolidated financial statements included elsewhere in this prospectus.

Trend Information

Other than as disclosed elsewhere in this prospectus, we are not aware of any trends, uncertainties, demands, commitments or events since September 30, 2022 that are reasonably likely to have a material adverse effect on our revenues, income, profitability, liquidity or capital resources, or that would cause the disclosed financial information to be not necessarily indicative of future results of operations or financial condition.

INDUSTRY OVERVIEW

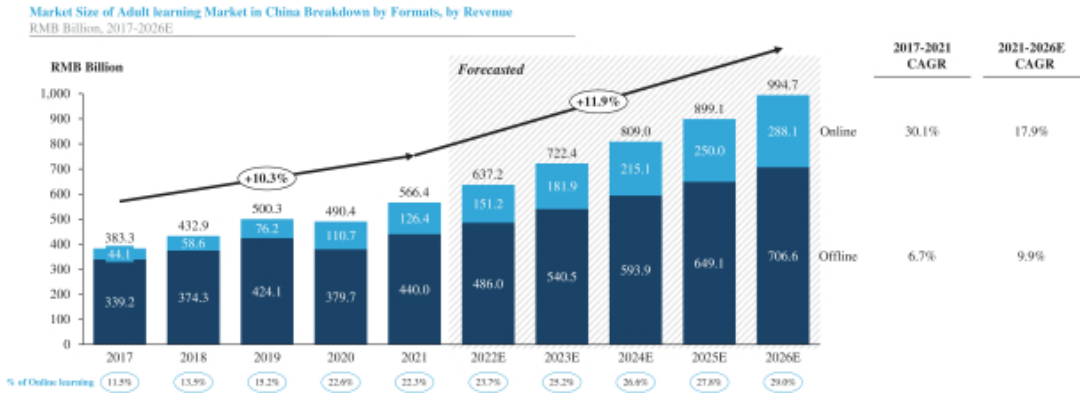
The information presented in this section has been derived from an industry report commissioned by us and issued in September 2022 by Frost & Sullivan, an independent research firm, or the F&S report, to provide information regarding our industry and our market position in China.

Overview of China's Adult Learning Market

Benefiting from the significant growth of the Chinese economy and per capita disposable income over the past decades, there has been a gradual awakening by the general public to more diverse needs in pursuing personal development and lifelong learning in China, which has in turn driven the fast growth of China's adult learning market. Adult learning refers to the provision of courses to adults who wish to acquire knowledge and skills or to adults in workplaces that require the completion of professional trainings. Specifically, adult learning excludes the provision of courses to prepare adults for obtaining degrees or diplomas granted by the Ministry of Education or other education authorities in China. According to the F&S report, the market size of China's adult learning market, in terms of revenue, increased rapidly from RMB383.3 billion in 2017 to RMB566.4 billion (US$87.7 billion) in 2021, at a CAGR of 10.3%, and is expected to further increase to RMB994.7 billion (US$154.1 billion) in 2026, at a CAGR of 11.9% from 2021 to 2026.

Since early 2020, the COVID-19 pandemic has significantly changed people's life and business operations, including how adult learning is achieved. Driven in part by technological advancements, there has been a growing offline-to-online shift in the online adult learning market. Individuals and enterprises have developed greater recognition of the online learning mode and begun to engage in online learning activities, creating a sustained trend. As a result, the online adult learning market, both in China and globally, has experienced a faster growth compared to the offline market and is expected to further increase its penetration rate in the near future.

China's online adult learning market has experienced, and is expected to sustain, a significantly higher growth rate than that of the offline segment, primarily driven by technological advances that made online learning more accessible, affordable and effective, and shifts in customer perception that increasingly consider online learning as a useful tool for personal development. China's online adult learning market, in terms of revenue, increased from RMB44.1 billion in 2017 to RMB126.4 billion (US$19.6 billion) in 2021, at a CAGR of 30.1%, and is expected to reach RMB288.1 billion (US$44.6 billion) in 2026, at a CAGR of 17.9% from 2021 to 2026. In contrast, China's adult offline learning market, in terms of revenue, increased from RMB339.2 billion in 2017 to RMB440.0 billion (US$68.1 billion) in 2021, at a CAGR of 6.7%, and is expected to reach RMB706.6 billion (US$109.4 billion) in 2026, at a CAGR of 9.9% from 2021 to 2026. As a result, the market share of online adult learning market of the overall adult learning market in China, in terms of revenue, increased significantly from 11.5% in 2017 to 22.3% in 2021, and is expected to reach 29.0% in 2026. The following chart sets forth the historical and expected market size of China's adult learning market, in terms of revenue, for the periods indicated.



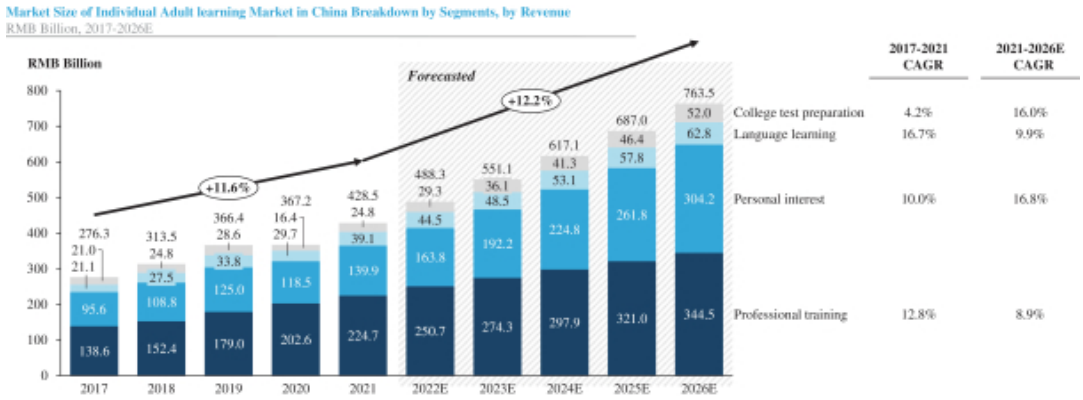
Source: F&S report

The major consumers of China's adult learning services include both individuals and enterprises. Individual learners mainly focus on acquiring knowledge and skills, rather than obtaining official degrees or diplomas, and the course offerings in this sector can be generally divided into personal interest learning, individual professional training, language learning, and college test preparation. Enterprise consumers mainly focus on offering professional training to their employees.

China's Individual Adult Learning Market

Overview of China's individual adult learning market

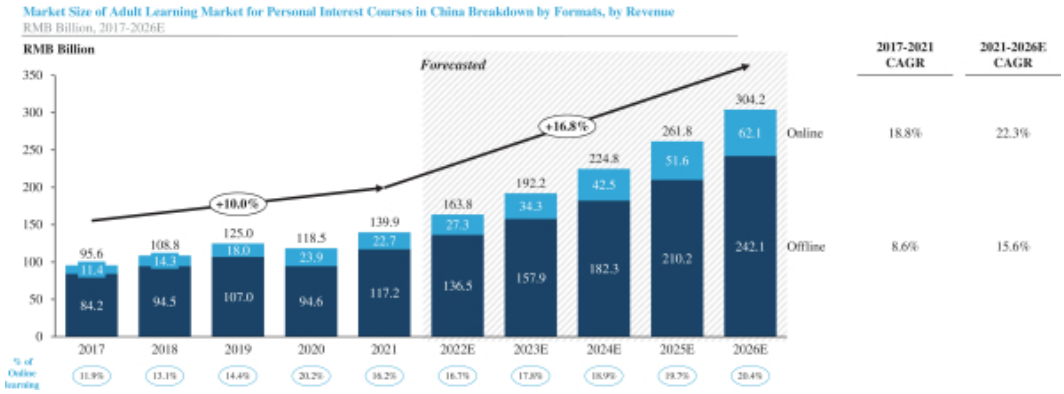
China's individual adult learning market has experienced a significant growth in recent years. The market size of China's individual adult learning market, in terms of revenue, increased from RMB276.3 billion in 2017 to RMB428.5 billion (US$66.4 billion) in 2021, at a CAGR of 11.6%, and is expected to reach RMB763.5 billion (US$118.3 billion) in 2026, at a CAGR of 12.2% from 2021 to 2026. The personal interest learning market, in terms of revenue, has grown rapidly in the past few years and is expected to grow at a CAGR of 16.8% from 2021 to 2026, the fastest rate among all individual adult learning market segments. The following chart sets forth the historical and expected market size of China's individual adult learning market, in terms of revenue, for the periods indicated.



Source: F&S report

Overview of China's adult learning market for personal interest courses

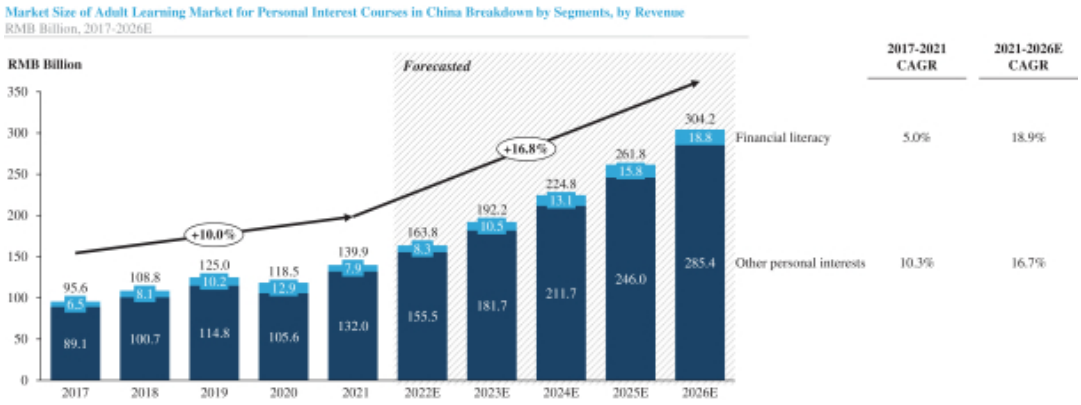
The adult learning market for personal interest courses caters for the growing need of personal improvement and learning in leisure time of the mass market. Adult personal interest learning aims to fulfill adults' interests and pursuits in various fields of their life, such as financial literacy, physical and mental well-being, arts and music. The market size of China's adult learning market for personal interest courses, in terms of revenue, increased from RMB95.6 billion in 2017 to RMB139.9 billion (US$21.7 billion) in 2021, at a CAGR of 10.0%, and is expected to reach RMB304.2 billion (US$47.1 billion) in 2026, at a CAGR of 16.8% from 2021 to 2026. The following chart sets forth the historical and expected market size of China's adult learning market for personal interest courses, in terms of revenue, for the periods indicated.



Source: F&S report

China's online adult learning market for personal interest courses has been growing faster than the offline segment in the past few years, and is expected to keep the momentum from 2021 to 2026, benefiting from the growing online learning habits in the adult learning market in China. The market size of China's online adult learning market for personal interest courses, in terms of revenue, increased from RMB11.4 billion in 2017 to RMB22.7 billion (US$3.5 billion) in 2021, at a CAGR of 18.8%, and is expected to reach RMB62.1 billion (US$9.6 billion) in 2026, at a CAGR of 22.3% from 2021 to 2026. In contrast, the market size of China's offline adult learning market for personal interest courses, in terms of revenue, increased from RMB84.2 billion in 2017 to RMB117.2 billion (US$18.2 billion) in 2021, at a CAGR of 8.6%, and is expected to reach RMB242.1 billion (US$37.5 billion) in 2026, at a CAGR of 15.6% from 2021 to 2026.

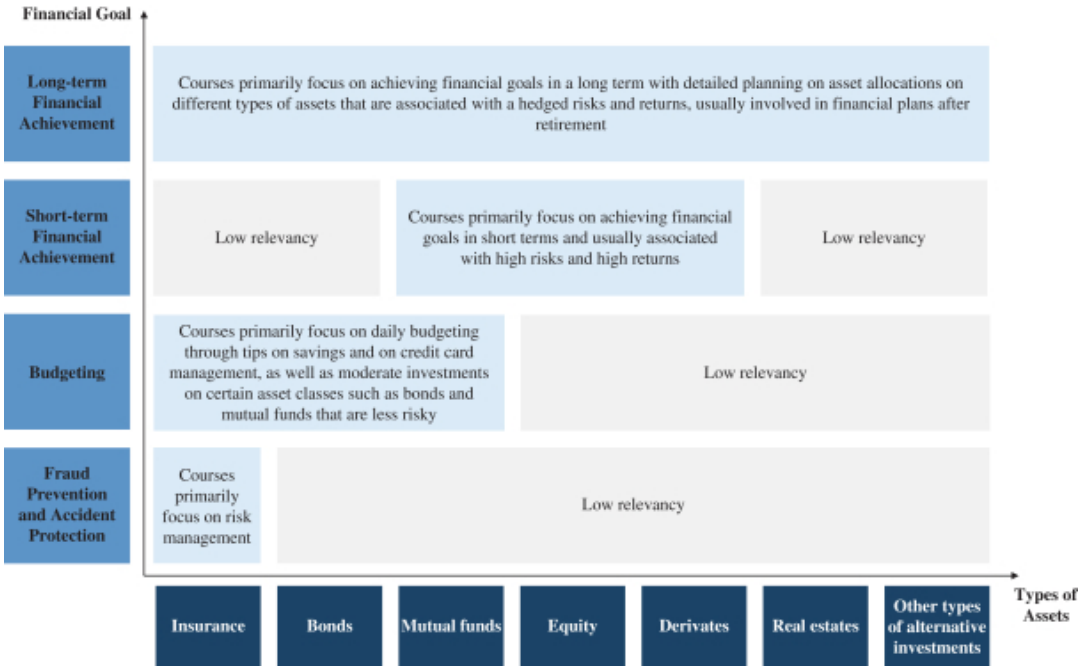
The courses offered for adult personal interest learning can be divided into financial literacy and other personal interests. Financial literacy provides people with knowledge and skills to acquire financial, investment and wealth management capabilities, with course topics covering various investment and insurance products and catered to different financial goals. The following chart sets forth the historical and expected market size of the China's adult learning market, divided by financial literacy and other personal interests, in terms of revenue, for the periods indicated.



Source: F&S report

Overview of China's online financial learning market

Course offerings of financial learning generally include investment in stock, mutual fund, insurance, real estate, bonds, derivatives and other investment instruments and securities. Financial literacy courses help people pursue their financial goals, including capital gains, wealth investment, consumption planning, and risk hedging. The following diagram sets forth the matrix of the financial goals of different individuals and the relevant types of investments.

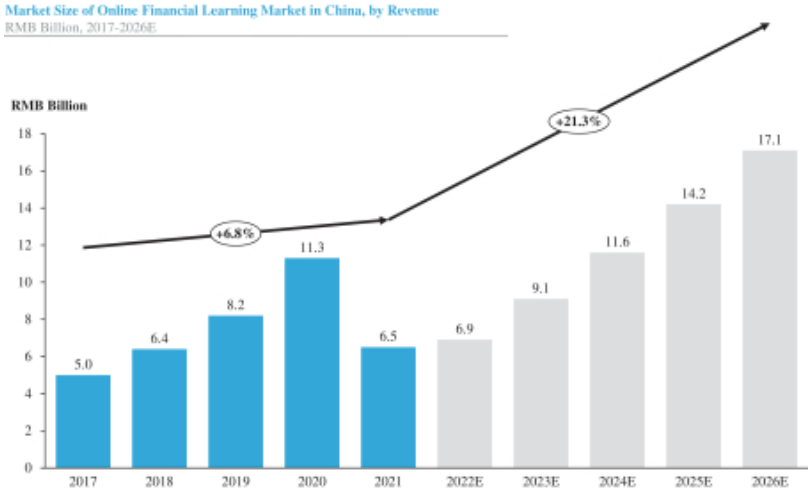


Source: F&S report

With the growing awareness for personal financial planning and the increasing disposable income, China's wealth management market has also been booming in recent years. The total assets under management of China's

household wealth management market increased from RMB40.0 trillion in 2017 to RMB77.6 trillion (US$12.0 trillion) in 2021, at a CAGR of 18.0%, and is expected to reach RMB159.1 trillion (US$24.6 trillion) in 2026, at a CAGR of 15.4% from 2021 to 2026.

China's financial learning market can be further divided into online and offline segments. The market size of China's online financial learning market, in terms of revenue, increased from RMB5.0 billion in 2017 to RMB6.5 billion (US$1.0 billion) in 2021, at a CAGR of 6.8%, and is expected to reach RMB17.1 billion (US$2.6 billion) in 2026, at a CAGR of 21.3% from 2021 to 2026. The following chart sets forth the historical and expected market size of the China's online financial learning market, in terms of revenue, for the periods indicated.



Source: F&S report

The number of learner enrollments in China's online financial learning market increased from 15.5 million in 2017 to 18.3 million in 2021, at a CAGR of 4.2%, and is expected to increase to 34.5 million in 2026, at a CAGR of 13.5% from 2021 to 2026. The number of learner enrollments in China's online financial learning market for formal, paid courses increased from 2.5 million in 2017 to 4.1 million in 2021, at a CAGR of 13.2%, and is expected to increase to 9.7 million in 2026, at a CAGR of 18.8% from 2021 to 2026.

Competitive landscape

China's adult learning market is relatively fragmented with a large number of market participants. The combined market shares of the top five players only accounted for 3.3% of the total market, in terms of revenue in 2021. We are the fourth largest service provider in China's adult learning market, in the combined online and offline segments, in terms of revenue in 2021, with a market share of 0.4% in 2021. None of the top three players in this market has a focus on adult learning for personal interest courses as we do.

China's adult learning market for personal interest courses is also relatively fragmented. The aggregate market shares of the top four players only accounted for 3.5% of the total market, in terms of revenue in 2021. We are the largest service provider in China's adult learning market for personal interest courses, in the combined online and offline segments, in terms of revenue in 2021, with a market share of 1.7% in 2021. In addition, we are also the largest service provider in China's online financial learning market in terms of revenue in 2021, with a market share of 36.9% in 2021.

Key growth drivers

The growth of China's online adult learning market for personal interest courses is expected to be driven by the following factors:

- *Strong demand for personal development.* People increasingly care more about their all-around development than the earlier generations, especially in the subjects that they have a keen interest in. Aided with greater affordability of, and broader access to, personal development learning opportunities, people are more willing to invest in themselves, especially by paying for high-quality learning services. In particular, with more investable assets and active secondary stock market trading, people have increasingly more investment options, driving the demand for financial learning services.
- *Offline to online transition.* There has been a strong trend of offline to online transition for adult personal interest learning, driven in part by the overall recognition of online platforms as an important approach to learning. The significant improvements in the quality of online courses and the capability to provide customized learning at scale due to technological advances have further driven the offline to online transition.
- *Technology-driven service upgrade.* The seamless integration of technology and course offerings will deliver better learning experience. In particular, technology advances, such as interactive live streaming technology, artificial intelligence and big data have enabled online learning service providers to more efficiently reach out to a massive learner base, improve the quality and effectiveness of course delivery, and enhance learner engagement, which in turn attract more learners to pursue learning opportunities online. In particular, the advances of artificial intelligence and behavioral data analytics enable service providers to offer tailor-made learning contents, which has stimulated the demand for technology-driven learning services.
- *Diversification and enhancement of course offerings*. In addition to financial literacy courses, learners in China increasingly favor more diverse course offerings and topics for personal development, such as those relating to fitness, health and leisure. More in-depth learning contents are expected to be introduced to meet the evolving learner needs in knowledge relating to personal development, in part, driven by their continuous upskilling and reskilling needs in the rapidly changing world. A wider selection of well-designed personal interest course offerings represents robust market growth opportunities.

China's Enterprise Professional Training Market

The major consumers of China's adult learning services include both individuals and enterprises. There has been a growing trend in the willingness to pay for systematic, well-designed enterprise professional training courses, which has driven the growth of China's enterprise professional training market. The market size of China's enterprise professional training market, in terms of revenue, increased from RMB107.0 billion in 2017 to RMB137.9 billion (US$21.4 billion) in 2021, at a CAGR of 6.5%, and is expected to increase to RMB231.2 billion (US$35.8 billion) in 2026, at a CAGR of 10.9% from 2021 to 2026. China's online enterprise professional training market has experienced, and is expected to continue to experience, a much faster growth than the offline counterpart. The market size of China's online enterprise professional training market, in terms of revenue, increased from RMB10.7 billion in 2017 to RMB29.0 billion (US$4.5 billion) in 2021, at a CAGR of 28.3%, and is expected to reach RMB71.7 billion (US$11.1 billion) in 2026, at a CAGR of 19.8% from 2021 to 2026.

BUSINESS

What We Envision

We believe that personal learning and development is a lifelong journey. Everyone, regardless of background, should be given an equal opportunity to pursue their interests, passions, and goals.

Our mission is to improve people's quality of life and well-being by providing them lifelong personal learning and development opportunities.

Who We Are

QuantaSing Group is the largest online learning service provider in China's adult learning market for personal interest courses and among China's top five service providers in China's total adult learning market, in terms of revenue in 2021, according to the F&S report. We offer easy-to-understand, affordable, and accessible online courses to adult learners under various brands, including *QiNiu*, *JiangZhen*, and *QianChi*, empowering them to pursue personal development.

We launched our online financial literacy learning services in July 2019 and quickly became the largest online financial learning service provider for adults in China, with a market share of 36.9% in terms of revenues in 2021, according to the F&S report. In August 2021, we expanded our offerings into a selective repertoire of other personal interest courses beyond financial literacy, to leverage the general public's gradual awakening to more diverse needs in pursuing personal development and lifelong learning. In February 2020, we launched our marketing services to financial intermediary enterprises, allowing them to connect with our learners to enlarge their customer base. In June 2022, we launched our enterprise talent management services to provide enterprise customers with online talent assessment, training and learning services for internal employee management. These services have enabled us to broaden our service offerings into enterprise customers and evolve into a two-sided service provider for both individuals and enterprises.

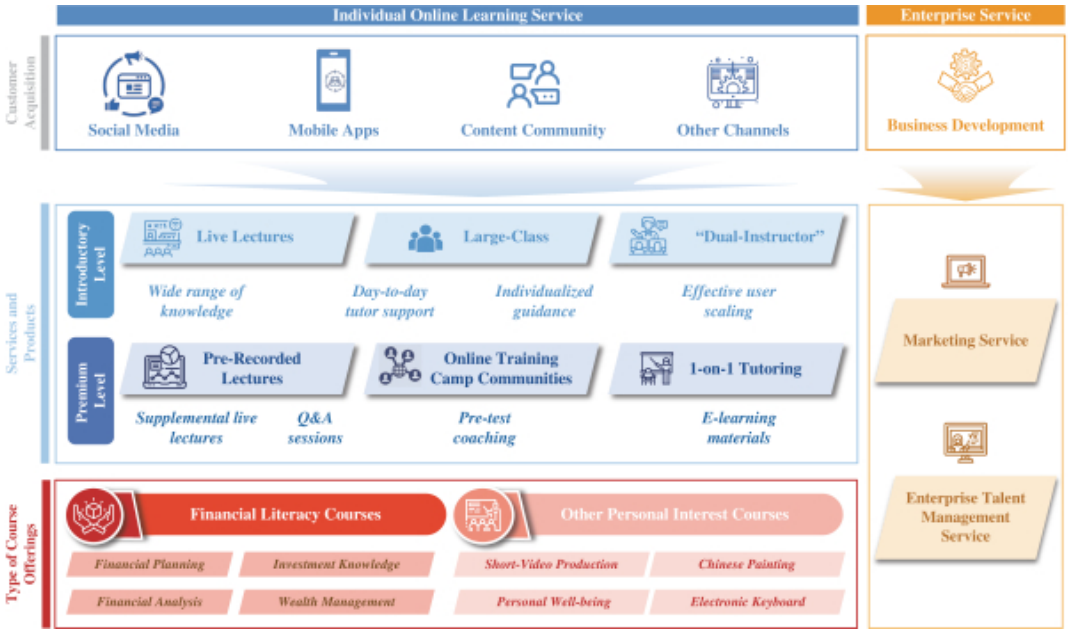
Our technology capability forms the bedrock of our business growth. We continuously invest in our proprietary technology and business intelligence, embedding them in every key aspect of our business operations, from content development, live streaming, pre-recording, and intelligent study toolkits, to customer engagement, sales conversion, and operation management. By adopting various self-developed smart tools, we can gain real-time business intelligence during our courses to improve our teaching quality and learner experience, upgrade and enrich our course offerings, and ultimately, enhance the sales conversion for additional and/or more advanced courses.

We have benefited from our agile and scalable business model and experienced a significant growth in our business since we launched our financial literacy learning services in July 2019. As of November 30, 2022, we had accumulated approximately 75.1 million registered users, quadrupling from 17.0 million as of June 30, 2021. For the fiscal year ended June 30, 2022, we had approximately 1.1 million paying learners, representing a 37.5% increase from 0.8 million for the fiscal year ended June 30, 2021. For the five months ended November 30, 2022, we had 0.5 million paying learners. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Key Operating Metrics" for details. Our total revenues were RMB1,759.9 million, RMB2,868.0 million (US$403.2 million), RMB744.0 million and RMB659.4 million (US$92.7 million) for the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We incurred net loss of RMB316.0 million and RMB233.4 million (US$32.8 million), RMB77.9 million and RMB97.3 million (US$13.7 million) in the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, respectively. We had adjusted net loss of RMB214.2 million, adjusted net profit of RMB58.0 million (US$8.2 million) and adjusted net less of RMB48.8 million and RM50.9 million (US$7.2 million) in the same periods, respectively. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures."

What We Offer

We offer (1) online courses under various brands to individual adult learners and (2) marketing services and enterprise talent management services to enterprise customers.

The following diagram is a simplified presentation of our business model, with an illustration of the vibrant ecosystem evolving around our learning platforms.



We provide our online financial literacy courses under the brand *QiNiu* to democratize financial learning for the mass market. Fewer than 35% adults in China were financially literate as of 2021, significantly lower than that in the other large economies such as the United States (57%) or the United Kingdom (67%), according to the F&S report. This has created a robust demand for our financial literacy courses. *QiNiu* offers free or paid financial literacy courses at introductory, intermediate, and advanced levels, covering topics across personal finance and wealth management. As our largest brand, *Qiniu* had approximately 59.7 million registered users as of November 30, 2022 and 1.0 million paying learners for the fiscal year ended June 30, 2022, compared with approximately 17.0 million registered users as of June 30, 2021 and 0.8 million paying learners for the fiscal year ended June 30, 2021. For the five months ended November 30, 2022, *Qiniu* had approximately 0.4 million paying learners.

We expanded our course offerings into other personal interest courses in August 2021. Leveraging our extensive course development experience, well-designed technology infrastructure, and proven operating model from *QiNiu*, we quickly introduced our new brands, such as *JiangZhen* and *QianChi*, to provide other personal interest courses to adult learners. We have thoughtfully curated various trending courses, such as short video production courses, in response to the popularity of video blogging on social media, and personal well-being courses, in response to people's increased awareness of healthy lifestyles, and electronic keyboard and Chinese painting courses, in response to people's rising pursuits of personal hobbies. We, from time to time, adjust the course mix to capture the evolving market trends. We had quickly accumulated approximately 15.4 million registered users for other personal interest courses, as of November 30, 2022, and approximately 0.1 million and 0.1 million paying learners, for the fiscal year ended June 30, 2022 and the five months ended November 30, 2022, respectively.

Our fast growing user base, which consists of a large and loyal paying learner base, coupled with our learning platform technology and proven operating experience, creates an immense business opportunity for us to become a two-sided service provider, delivering services to both individual learners and enterprises. We launched our marketing services to financial intermediary enterprises in February 2020, allowing them to connect with our learners to enlarge their customer base. In June 2022, we launched our enterprise talent management services, offering systematic online talent assessment, training and learning services to enterprises for internal employee management. We are continuously exploring more diverse opportunities to leverage our large user base, proven technology, and accumulated experience in online learning markets and achieve greater synergy. For instance, we are in the process of developing technical and operating services to enterprises interested in developing their proprietary online learning platform services.

What Sets Us Apart

We believe the following competitive strengths differentiate us from our competitors.

China's largest learning platform offering adult personal interest courses with strong growth trajectory

There is a large, burgeoning adult learning market in China. The market size, in terms of revenue, is expected to grow from RMB566.4 billion (US$87.7 billion) in 2021 to RMB994.7 billion (US$154.1 billion) in 2026, at a CAGR of 11.9%, according to the F&S report. Driven by the increase of internet connectivity and digitalization, technological advances, and proliferation of smart devices, this market has been experiencing a demonstrable trend towards online learning, which is expected to continue to grow faster than offline learning in the future. The online share of China's overall adult learning market, in terms of revenue, has grown from approximately 11.5% (RMB44.1 billion) in 2017 to 22.3% (RMB126.4 billion (US$19.6 billion)) in 2021 and is expected to reach 29.0% (RMB288.1 billion (US$44.6 billion)) by 2026, according to the F&S report.

Driven by the general public's gradual awakening to more diverse needs in pursuing personal development and lifelong learning, the adult learning market for personal interest courses is the fastest-growing segment within China's overall adult learning market, in terms of revenue, which is expected to grow significantly from RMB139.9 billion (US$21.7 billion) in 2021 to RMB304.2 billion (US$47.1 billion) in 2026, at a CAGR of 16.8%, the fastest among all the segments of China's adult learning markets, according to the F&S report. In particular, online financial literacy learning market is a fast-growing segment within China's adult learning market for personal interest courses, in terms of revenue, which is expected to grow significantly from RMB6.5 billion (US$1.0 billion) in 2021 to RMB17.1 billion (US$2.6 billion) in 2026, at a CAGR of 21.3%, according to the same source.

We launched our online financial literacy learning services in July 2019 and quickly became the largest online financial learning service provider for adults in China, with a market share of 36.9% in terms of revenue in 2021, according to the F&S report. We began to expand our business to other personal interest course offerings in August 2021. We are now the largest online learning service provider in China's adult personal interest learning market and among the top five service providers in China's total adult learning market, in terms of revenue in 2021, according to the F&S report. Our success is further evidenced by the various awards and recognitions we received, including "2021 Paid Knowledge Industry Excellent Quality Award," granted by China Internet Week and eNet Research, "2021 Well-Known Online Education Brand," granted by Tencent, and "2022 Top 50 Online Enterprises," granted by Shanghai United Media Group and Jiemian Media. Leveraging our proven track record and robust business model, we believe that we are well positioned to capitalize on the significant growth opportunity in the adult learning market.

Innovative learning journey leading to strong user engagement

We have adopted a systematic approach covering every step of our learners' journey with us, including engagement, interactive learning, in-class participation, and after-course assessment, with the aid of our technology-driven tools.

New learners typically begin their learning journey with us by attending our introductory courses. We have pioneered the adoption of a "dual-instructor" mode in such courses, allowing our lead instructor to lecture a large online class through live streaming. The large class is then divided into smaller groups supported by off-class tutors (i.e., sidekick instructors), who directly interact with our learners to answer questions and follow-up queries. The innovative "dual-instructor" mode is efficient to enhance user stickiness, by simultaneously connecting over 100,000 learners at a time to drive user engagement and foster demand for our premium courses. We deliver our premium courses primarily in online community-based training camp mode, consisting of training camp communities, pre-recorded lectures and supplemental Q&A live courses, to effectively cover a wide range of knowledge points and optimize our learners' learning results. We also selectively deliver certain premium courses in live lecture, one-on-one tutoring mode, such as our electronic keyboard courses, based on the nature of such courses. Our introductory course learner base naturally consists of learners with keen and enduring interest in personal development, which organically translate into a low-cost paying learner traffic.

To scale our learner base and improve learning experience and effectiveness, we also combine our lectures with modular teaching and toolkits, such as community-based training and intelligent study toolkits, to create an immersive learning experience for our learners and promote a sense of belonging to facilitate learner interaction. We also design and develop the teaching materials primarily in-house to provide a seamless learning experience and maintain their quality and our control over them. We regularly evaluate and upgrade our course materials based on learners' feedback and the data insights we generate from our internal data analysis tools.

Scalable business model driving rapid launch of new course offerings and business opportunities

The success in our online learning platform and system is the backbone for rapid business expansion into new online course offerings. Through the established infrastructure underlying *QiNiu*'s success in financial literacy courses, we quickly introduced new platforms, such as *JiangZhen* and *QianChi*, to offer other thoughtfully selected personal interest courses based on the mass market's trending popular personal interests and passions, such as short video production, personal well-being, and Chinese painting. In launching our new platforms, we applied our established curriculum development system and teaching mode, proven customer acquisition strategy, and proprietary technology platform. Since the launch of our course offerings in other personal interests from August 2021, we had accumulated approximately 15.4 million registered users for such courses as of November 30, 2022. We generated RMB193.9 million (US$27.3 million) and RMB116.5 million (US$16.4 million) revenues from these courses in the fiscal year ended June 30, 2022 and the three months ended September 30, 2022, respectively.

We also expanded our business into serving enterprise customers, by leveraging our large user base, to provide marketing services and enterprise talent management services. We launched our marketing services, in February 2020, to allow financial intermediary enterprises to connect with our learners to enlarge their customer base. This creates a positive feedback loop to allow our learners, on the one hand, to apply newly acquired knowledge into practical use, and provide enterprise customers, on the other, a strong source of customers leads referral for an additional revenue stream. Leveraging our learning platform technology and proven operating experience, we launched our enterprise talent management services, in June 2022, and have also begun to explore opportunities to serve enterprises interested in developing their proprietary online learning platform services. Our revenues from enterprise services increased by 28.6% from RMB144.3 million for the fiscal year ended June 30, 2021 to RMB185.5 million (US$26.1 million) for the fiscal year ended June 30, 2022, and by 72.9% from RMB42.6 million for the three months ended September 30, 2021 to RMB73.6 million (US$10.3 million) for the three months ended September 30, 2022.

Robust technology infrastructure and business intelligence

Our technology capability is critical to our business growth. We have developed our proprietary online learning platforms, infrastructure, and tools to gain business intelligence and offer better and smarter products to rapidly scale our business.

We continuously invest in our proprietary technology and business intelligence, embedding them in every key aspect of our business operations, from content development, live streaming, pre-recording, and study toolkits, to customer engagement, sales conversion, and operation management. Our content development system enables our instructors and tutors to hone their teaching techniques through the big data analytics of user engagement throughout the lecture. We analyze learner behaviors, such as login and logoff time during our streaming sessions, to generate constructive feedback for course development and improvement. Our proprietary live streaming technology offers steady, reliable streaming service to support high usage volume with low latency, real-time performance monitoring, and disaster recovery capacity, at a much lower cost than third-party tools. We have also developed proprietary intelligent study toolkits to allow learners to apply their knowledge, with approximately 60 hands-on intelligent study tools as of November 30, 2022. With the prior consent from our customers, our intelligent marketing system allows us to accurately monitor and evaluate the key performance indicators throughout our sales and marketing process. Since September 2021, we have begun our back-end system integration for our online learning platforms, allowing for centralized service and functional support, streamlined operational efficiency, and unified database for big data analysis. This also allows a shortened time-to-market for new course or learning platform launch, with minimal marginal investment on R&D and hardware resource.

Leveraging our advanced technology infrastructure and business intelligence, we are able to develop new course offerings within an average of three to four months and launch our service offerings in a cost-effective manner. Each of our off-class tutors is able to serve more than 200 learners simultaneously, without comprising the learning experience.

Visionary, seasoned management team and entrepreneurial corporate culture

We have a visionary, experienced management team with deep expertise in technology, education and financial services. Our management team has been stable since our inception in 2019.

Mr. Matt Peng Li, our founder and chief executive officer, is a pioneer and renowned business veteran with a proven track record of entrepreneurial success. As a serial entrepreneur, he has nearly two decades of extensive and successful business experience in the internet, education and financial services sector. His strong business acumen in transforming education through technology has cultivated our corporate culture in innovation and excellence. Our other senior management members each have over 10 years of experiences and accomplished achievements in their respective fields. Many of them have prior experiences with leading Chinese giant technology and education companies, including Tencent, Alibaba, Youdao (NetEase), and Baby English (Qimeng Education). Their rich and complementary knowledge and expertise in the internet and education sectors gives us a competitive edge over our peers.

Under the leadership of our management team, we have also developed corporate culture and passion for empowering every individual with knowledge and skills through offering lifelong personal learning and development opportunities. We are committed to creating value and improving life quality for all our learners and the entire society.

How We Approach the Future

We intend to grow our business by pursuing the following strategies.

Grow user base and drive learner engagement

We will continue to expand our user base and achieve more effective conversion. We intend to attract more mass market learners who have significant demand for basic financial literacy knowledge and other personal interest skills. We also intend to improve the accuracy of our content marketing campaigns by refining our data-driven sales strategies and strengthen marketing and branding efforts across online and offline channels. We will also continue to drive learner engagement and retention by improving course quality and offering more interactive and personalized learning experiences.

Enrich course offerings with proven demand

We will continue to explore new curriculums and develop new course subjects that have high customer interest, through extensive market research efforts, including market survey, customer interviews, and market competitor analysis. Adopting a "go-big" mindset, we strategize each of our new subject development to ensure that it can capture a wide audience with high demand to achieve business efficiency. We will also focus on curriculum designs and up-sell paid premium course with significant learner interest.

We will adhere to a multi-branded online platform strategy in our course curriculum design, customer acquisition and advertisement campaigns, as we believe that differentiated brand recognitions are instrumental to achieving strong long-term organic learner growth with precision.

Develop enterprise services to achieve greater synergy

We are continuously exploring new ways to cross-sell add-on services to enhance our customer life-time value. We have implemented our marketing services to enterprise customers on *QiNiu*, and we intend to replicate our proven business model to our other platforms, including *JiangZhen* and *QianChi*.

We will leverage the proprietary technology and system underlying our online learning platforms to launch SaaS services to enterprises. Since June 2022, we have launched our enterprise talent management services which has integrated talent assessment, training and management functions for enterprise customers. We are in pilot program with a top-tier media group in China to further our SaaS service initiatives.

Invest in technology and data analytics

Our proprietary technology allows us to track a wide range of data throughout our learners' journey with us and facilitate our product development based on the analysis of these data and the improved understanding of learner needs. We will continue to develop our proprietary live streaming technologies and invest in technology-empowered in-class interactive features to further enhance our learner experience. We will also continue to enhance our data analytics capability. We also plan to leverage our data analytics capability to promote system security so as to ensure that our platforms are reliable and support our rapid expansion.

Attract and cultivate talent

We will continue to selectively attract qualified instructors in adult online learning markets through the lateral hiring of experienced instructors and the systematic training of emerging teaching talents. For instance, our instructors are generally experienced specialists with the qualifications in the relevant industry, such as securities practice certificate and fund practice certificate for instructors teaching financial literacy courses, and/or professional qualifications in the respective personal interest specialization.

Expand overseas and pursue strategic collaborations

We intend to explore overseas business opportunities to further expand our online learning services. As we develop a more mature infrastructure, we also seek to export our online learning platform technology and services to overseas enterprises. We may selectively pursue strategic cooperation with, investment in, or acquisition of, other learning service providers whose operations are complementary to our strategic goals. By pursuing such new strategic opportunities, we can leverage our existing advantages to further drive our long-term growth.

Our Individual Online Learning Services

We offer adult learners easy-to-understand, affordable, and accessible online learning services through our platforms to address their diversified demands for personal development. As of the date of this prospectus, we have accumulatively launched 20 series of personal interest courses, including financial literacy courses and other trending personal interest courses.

Course offerings

We provide a wide spectrum of online courses via our platforms under the brands of *QiNiu*, *JiangZhen*, and *QianChi*. We have designed our courses into a progressive mode to serve the mass market with different levels of knowledge and interests. See "— Our Individual Online Learning Services — Course mode" for details.

Financial literacy courses

We offer a wide range of online courses in the field of financial literacy education, ranging from basic financial knowledge to simulated investment practice, to learners with diversified education background and learning goals. We have generally designed our financial literacy courses into progressive courses, i.e., introductory and premium courses.

Our introductory financial literacy courses target novice learners, who wish to acquire the basic financial and investment knowledge, and encompass a wide range of subjects ranging from the basic financial planning and investment concepts to commonly employed financial products, such as stocks, bonds, mutual funds, insurance, and other wealth management products. Our instructors provide live lectures to a large number of learners in an innovative "dual-instructor" mode. Our intermediate-level courses primarily comprise the natural extension of topics and concepts covered in our introductory courses, amplified with more detailed explanations and extensive application scenarios. We generally deliver introductory financial literacy courses over a consecutive nine-day module of 1.5 to three hours per session in the evenings to cater to the lifestyle of our targeted learners, who are primarily middle-aged individuals with no readily available access to easy-to-grasp financial and investment knowledge.

Our premium financial literacy courses mainly target individuals who have completed our introductory courses and wish to advance their financial and investment knowledge and skills in specific areas. We deliver our premium financial literacy courses primarily in online community-based training camp mode. Our learners may also purchase our premium course materials for self-study purpose. Our premium financial literacy courses cover various subjects on personal financial planning and investment, such as fund investment, stock investment, fixed income products, insurance products, financial report analysis, and family wealth management, to meet the diverse demands of our learners. We calibrate our premium courses to enable a gentle learning curve for our learners by dividing our premium financial literacy courses into intermediate level and advanced level. Our advanced-level courses step further to selectively bring in the more in-depth aspects of the personal finance and wealth management that are important to the financial practice of our learners, such as technical analysis, household asset allocation, and simulated investment practice. We typically deliver premium financial literacy courses over a four-week or five-week training schedule primarily comprising pre-recorded lectures and live lectures in the mid- and final term.

Other personal interest courses

Since August 2021, we have expanded our course offerings to other personal interests to cater for the mass market's rising demands for lifelong learning and personal development. We have taken a progressive approach to expand our course portfolio to other personal interests, guided by our in-depth research into the competitive landscape, market demand and learner aptitudes, to ensure the quality and degree of acceptance of each course we offer.

Our other personal interest courses cover a wide range of subjects, including, among others, personal technical skills, general interests and other needs for personal development. Our selected signature topics include:

Short-video production courses. Our short-video production course targets freelancers or amateurs who create video content and intend to improve their skillsets. We provide easy-to-grasp introduction on the major

types of social media and their business models. We deliver comprehensive training on the useful skills and techniques in generating, enhancing, and operating short-video and audio content. We supplement our short-video course with hands-on training sessions to practice their video and audio editing skills.

Personal well-being courses. Our personal well-being course targets individuals who care about the wellness of themselves and their families, allowing them to acquire basic well-being and health management knowledge, understand common health conditions, and cultivate positive lifestyles and habits. We deliver our health management course in simplified narratives with illustrative examples, supplemented with easy-to-follow health tips for our learners to implement in daily life.

Electronic keyboard courses. Our electronic keyboard course targets individuals who wish to learn electronic keyboard as a personal interest. We provide a systematic course comprising basic music theory knowledge and skills and techniques. Our instructors deliver live lectures to our learners. Our tutors provide off-class, one-on-one training to help our learners practice their keyboard skills.

Chinese painting. Our Chinese painting course targets individuals who have not received professional trainings on painting and are interested in acquiring basic skills and knowledge about Chinese painting. We focus on Chinese landscape and bird-and-flower painting and have designed a progressive learning module which start from the fundamental skills, such as the basic strokes and structure in Chinese painting, to more advanced techniques, such as capturing specific objects and sceneries.

Erhu. Erhu is a traditional Chinese two-stringed bowed musical instrument. Our Erhu course targets the elderly individuals who have not received systematic training in the instrument. We provide comprehensive and progressive course contents, including the history and structure of Erhu, the care and maintenance of the instrument, and the playing techniques ranging from basic position to complex bowing. We also select classic Erhu pieces as the teaching and practicing materials to appeal to the learners' interests.

Data analytics. Our data analytics course targets individuals who wish to quickly grasp the concepts and tools frequently encountered in data analytics. We provide hands-on training on most utilized functionalities of popular data analytics software so that learners can easily translate their learning results into practice. We also offer course contents in data modeling and business case studies to enrich our learners' skillsets in data analytics.

We have adopted substantially the same progressive course mode for other personal interest courses as our financial literacy courses. We typically deliver introductory-level personal interest courses in large-class, live streaming mode over a four to seven-day module of approximately two hours per session in the evenings. We primarily deliver premium courses in other personal interests over a period of three weeks to three months in pre-recorded lectures, which may be supplemented with several live lectures. To a much lesser extent, we also offer certain premium courses in live lecture, one-on-one tutoring mode, tailored to the nature of the contents taught, such as our online electronic keyboard courses which demand more dedicated attention from the instructors. The following screenshots provide an illustrative demonstration of certain of our introductory-level personal interest courses.

Course mode

We have designed our courses into progressive mode, i.e., (1) introductory courses in live large-class "dual-instructor" mode, and (2) premium courses in online community-based training camp mode, and, to a much lesser extent, in live lecture, one-on-one tutoring mode to accommodate the mass market with different levels of knowledge and interests.

Live large-class "dual-instructor" mode

We deliver introductory courses in a condensed module to target novice learners who wish to acquire the basic knowledge in their interested fields. We design our introductory courses as live sessions in a large-class "dual-instructor" mode to easily scale our learner base with a balanced level of attention to learners' needs. We staff each course session with one or two in-class instructors to deliver the live lectures and a number of off-class tutors (i.e., sidekick instructors) to provide learners with one-on-one guidance and support in the same class. The following screenshots provide an illustrative demonstration of our "dual-instructor" mode.

Our instructors are primarily responsible for delivering the lectures on basic knowledge of the course subject. They are experienced teachers or specialists in their fields with strong presentation and communication skills to deliver courses in a live large-class setting. Our off-class tutors reinforce our connections with users and learners and ensure their course attendance, course completion and learning results. They provide individualized guidance and day-to-day support, such as providing responses to user inquiries, overseeing learning progress, coordinating course-related activities, assessing learner's performance, collecting feedback, and facilitating the enrollment process for premium courses.

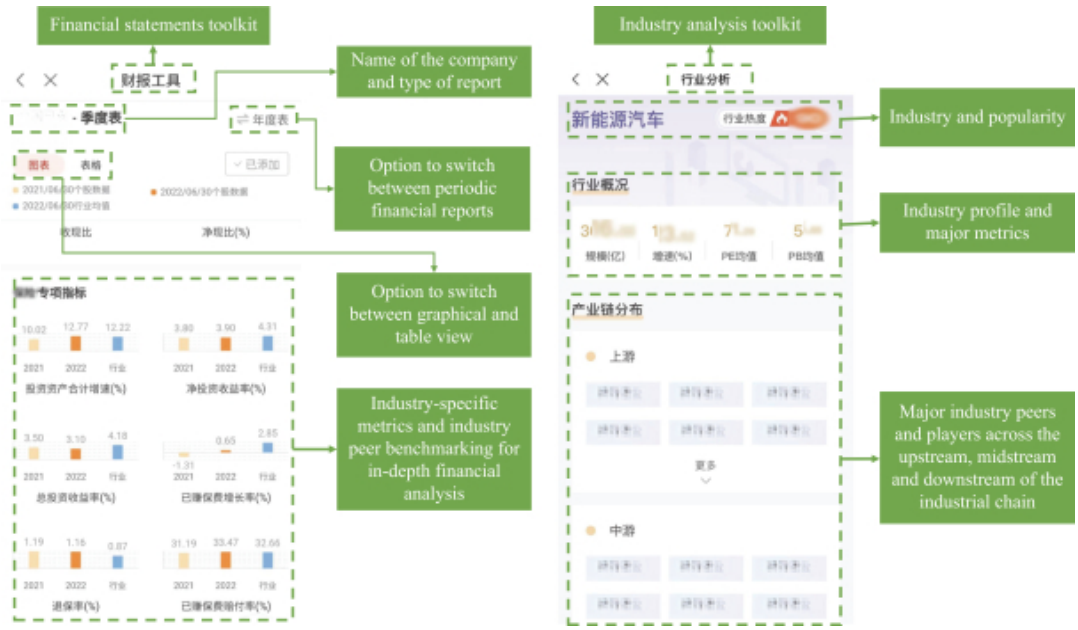
Leveraging our intelligent technology infrastructure, our instructors can reach simultaneously over 100,000 learners on average in one class, which allows us to scale our learner base effectively, without compromising the learner experience and user engagement, and ultimately encourage and attract more learners to attend our premium courses.

Online community-based training camp mode

We have adopted primarily an online community-based training camp mode for our premium courses, with a triad of components, i.e., training camp communities, pre-recorded lectures, and illustrative slideshows. Under this learning mode, we staff our premium courses with multiple off-class tutors to offer one-on-one guidance and support. Our tutors generally coordinate our learner engagement on social media platforms, such as Weixin, and oversee the operation of our training camp communities. Our pre-recorded lectures allow us to standardize the course contents and incorporate more useful topics and enable learners to tailor their learning pace based on their own level of knowledge and learning capabilities. We also selectively organize supplemental live lectures as part of the premium courses to provide detailed pre-test coaching. Our illustrative slideshows provide simultaneous, well-organized explanation of key concepts discussed in the lectures, which makes it easier for learners to comprehend and follow. We also distribute supplemental learning materials in e-format, which consist primarily of illustrations and learning tips to allow learners to refresh and recap their learning wherever and whenever they desire.

We seek to instill a suitable level of intensity and attentiveness into a learner's learning journey with our community-based training camps, featuring the following functions:

- *Full-cycle learning support.* Our training camp communities, operated primarily via Weixin, feature frequent and swift Q&A sessions between tutors and learners, allowing learners to receive the latest updates and advice on their learning progress from their tutors. We also provide tailored learning resources, such as daily knowledge feeds, to foster a more immersive learning environment. In addition, we organize supplemental live lectures to align with the mid- and final term sessions of the premium courses, during which learners may raise questions and receive first-hand explanations.
- *Comprehensive practice.* We offer learners pre-recorded examples for cases illustrated during the premium course sessions for review after class. We have also developed proprietary intelligent study toolkits to allow learners to apply their knowledge. As of November 30, 2022, we had developed approximately 60 hands-on intelligent study tools. The following screenshots provide an illustrative demonstration of our study tools.



- *Targeted assessment.* We provide assignments to learners after each premium course session. We also assess their learning progress with quizzes to identify areas for improvement and modify our quiz offerings based on the performance of each individual learner. We typically deliver premium courses in a training schedule varying from three weeks to three months, which primarily comprise pre-recorded lectures and live lectures in the mid- and final term.

Live lecture, one-on-one tutoring mode

We deliver certain premium courses in live lecture, one-on-one tutoring mode, tailored to the nature of the contents taught. For instance, we use this learning mode in our electronic keyboard courses which demand more dedicated attention from the tutors. Under this mode, instructors can timely adjust the pace of teaching and course content during the live lecture according to the learners' progress, and the learners can have individualized, one-on-one guidance from the off-class tutors to optimize their learning results.

Course fees

We offer our introductory courses free of charges or, occasionally, for a nominal price, which was generally no more than RMB9.9 as of November 30, 2022. These courses aim to set the backstage and expand the learner base for our premium courses. As of November 30, 2022, our standard fees for premium course packages generally ranged from RMB1,980 to RMB3,699. Our learners generally enroll in and make upfront payment for all sessions. For our financial literacy courses, we generally offer learners of premium courses a full and unconditional refund within the first three months after their payment and before they unlock the courses.

Our Enterprise Services

Benefiting from our user base and connections with reputable institutions, we connect our individual learners with our enterprise customers and provide enterprise-oriented services synergistic with our offerings to learners. We primarily offer marketing services to our enterprise customers. Since June 2022, we have also begun to provide enterprise talent management services. We are exploring opportunities to offer standardized online learning related technical and operating services to enterprises interested in developing their proprietary online learning platform services.

Marketing services for enterprises. In February 2020, we began to provide access between selective financial intermediary enterprises, such as security brokerage firms, insurance intermediaries, and fund intermediaries, and our learners, to capture our learners' needs for financial concierge services and our enterprise customers' needs for traffic. We primarily collaborate with premium securities brokerage firms, allowing them to connect with our learners to enlarge their customer base. We charge leads referral fees from financial intermediary enterprises based on the quality and quantity of the leads generated.

Enterprise talent management services. In June 2022, we launched our enterprise talent management services featuring an intelligent online platform which integrates the functions of talent assessment, training and management to provide enterprises digital, integrated internal employee training, and management system. This platform provides customized, systematic online courses and evaluation mechanisms to address our enterprise customers' demands for internal talent management and optimize their relevant procedures. Our enterprise customers can receive automatically generated reports about the learning progress and assessment performance of the enrolled employees, which allows them to timely adjust their talent strategy. We charge enterprise customers service fees for these services based on the service contents and duration. We began to recognize revenue for our enterprise talent management services in July 2022. As of the date of this prospectus, revenue from enterprise talent management services has not accounted for a material portion of our total revenues. We expect to primarily leverage our existing infrastructure and resources to develop and commercialize our enterprise talent management services and benefit from the greater synergy with our existing business. Nevertheless, we may incur additional business development costs and IT costs, such as hiring relevant personnel, in promoting and enhancing our enterprise talent management services in the future.

Enterprise technical and operational support services. We believe our proven operational excellence and technology capability can empower enterprise customers to improve the agility, scalability, and efficacy of their own business process, and in particular, for enterprise customers seeking to build or optimize their proprietary learning platforms. We are in pilot program with a reputable media group in China to help them digitalize and build up the technical infrastructure for their proprietary online learning platform.

Our Teaching Staff

We employ qualified in-class instructors and capable off-class tutors to provide a seamless learning journey for our learners.

Our instructors

We are committed to developing a team of highly qualified instructors with practical knowledge and expertise. Our instructors are primarily responsible for in-class teaching and lecturing. We believe the qualification and expertise of our instructors are paramount to our teaching quality. For instance, our instructors are generally experienced specialists with the qualifications in the relevant industry, such as securities practice certificate and fund practice certificate for instructors teaching financial literacy courses, and/or professional qualifications in the respective personal interest specialization. We also require instructors to have strong presentation and communication skills to deliver courses in a live large-class setting.

Recruitment

We have adopted a systematic approach to assess our instructor candidates based on various criteria, including their professional background and qualification in the course-related areas, teaching skills and passion in this area. We implement interviews and teaching demonstrations to ensure that our instructors can meet our teaching standards.

Training

We require our newly recruited instructors to undergo standardized training to improve their skills in delivering courses. We also require instructors to participate in continuous training programs relating to course content, teaching skills and techniques, teaching performance in an online setting, and our corporate culture and values. We also provide systematic compliance training to our instructors to ensure the legitimacy and appropriateness of our course delivery.

Evaluation and compensation

We have implemented a quality assurance process to monitor the performance of each instructor for each course and generate analysis report for each course which will form the basis for improvement or supervisorial actions. We evaluate the performance of each instructor based on a standardized evaluation system, including presentation skills, teaching process, course content, and emergency handling, and periodically offer constructive feedback on each instructor's course presentation and performance.

We have adopted a comprehensive set of key performance indicators (the "KPIs") and qualitative factors to evaluate instructor performance and incentivize high performance. We primarily evaluate our instructors for introductory courses based on their premium course conversion. For the instructors of premium courses, we primarily evaluate them based on course quality, completion rate and refund rate. These KPIs will also be factored into the promotion and performance-based compensation for our instructors.

Our tutors

We maintain a large team of off-class tutors to engage users and learners and ensure their course attendance, course completion, and learning results. Our tutors provide off-class individualized guidance and day-to-day support to learners, such as responding to learner inquiries, overseeing learner learning progress, coordinating course-related activities, and facilitating the enrollment process for paid courses.

Recruitment

We believe the service quality of our tutors is crucial to our learners' overall learning experience. To this end, we have implemented a systematic selection process for tutors, consisting of interviews and written assessment. We primarily seek tutor candidates who have experience and relevant skills, a strong sense of responsibility, and good communication skills.

Training

We provide our newly recruited tutors with an orientation program to introduce their workflow and job responsibilities. We have developed internal training materials for our tutors in parallel to our course materials, with elevated depth and scope so that our tutors are more prepared in their communications with learners. We also deliver training sessions from time to time to our tutors to strengthen their knowledge base. We encourage our tutors to obtain professional qualifications in the relevant fields, such as teacher's qualification and related certificates.

Evaluation and compensation

We regularly require our tutors to participate in assessments tailored to our course materials, which are designed to be more rigorous and comprehensive than the course coverage to our learners. We evaluate and compensate our tutors mainly based on their performance such as the course completion rate, satisfaction rate and assessment passage rate and retention rate of our learners.

Our Content Development and Monitoring

Content development

We primarily design and develop course contents in-house to translate sophisticated concepts into practical, easy-to-adopt skills. We continuously improve and enrich our proprietary database of standardized teaching resources. We also regularly evaluate and upgrade our course materials based on learner feedback and the data insights we generate from our internal business intelligence tools. Our proprietary database consisted of a large volume of teaching materials, which allows us to compile diverse sets of lecture notes to suit our teaching needs. To a much lesser extent, we also cooperate with third-party learning service providers at the early stage of certain new course offerings to test the market, under which we will refer to them the learners and they will develop and deliver the course contents.

We have formulated and implemented our *ADDIE* content development methods to strategize our course development efforts.

Analyze. Based on our learner survey and market research findings, we investigate the demand of our course candidates and consolidate our discoveries and projections into a course blueprint of eligible knowledge points, with which we invite beta testing learners to review and provide feedback.

Design. We equip every course with a syllabus to foster a progressive and approachable learning process that facilitates practice and memorization. We standardize the structure of our syllabi by concentrating on our course goals, target population, and delivery style to ensure that they serve our course offerings in a consistent and effective manner.

Develop. We strive to integrate knowing and practicing in our courses. We have adopted the project-based learning methodology in developing our courses to prioritize the cultivation of critical thinking skills of our learners. We allocate a temperate number of knowledge points to each lesson and generally support each with at least two case studies to maximize the degree of acceptance of our learners.

Implement. We transmit knowledge in an engaging and transferable way. We utilize examples from our daily lives and intuitive metaphors and analogies to tackle sophisticated concepts. We continuously enhance the functions of our in-house developed intelligent study toolkits to create new knowledge application scenarios for our learners.

Evaluate. We regularly review and adjust our course contents and presentation methods based on an internal grading scale considering our course positioning, structure, and contents.

As our courses address the mass market with a practical orientation, we focus on the demands of our learners and proactively solicit their feedback on our course offerings. We invite learners to submit after-class feedback, which will be reviewed and processed by our content development personnel and factored into the subsequent upgrades of our course contents. We regularly review the comparable courses on the market to ensure that our contents are sufficiently updated and comprehensive to meet the market expectations.

Leveraging our in-house developed artificial intelligent content development technology adopted since March 2020, we are among the first platforms in the online adult learning industry that have achieved intelligent, quantified content development process, according to the F&S report. See "— Technology and Infrastructure — Data analytics and business intelligence" for details.

Our course content development personnel have the complimentary skillsets to generate high-quality and informative online learning content. For instance, some of them have a career trajectory in the financial and investment industry, and others have accumulated experience in online training and course development areas.

Content monitoring

We believe the quality of our teaching and learning environment are critical to the reputation and sustainability of our business. We have adopted integrated measures to monitor the content on our platforms and safeguard platform integrity.

Manual monitoring. Our teaching assistants coordinate the activities of our live sessions and serve as gatekeepers of potentially harmful content. We staff each live session with several teaching assistants to continuously monitor the activities and remarks on our platforms during the lecture process, and intervene with and report incidents of potentially harmful contents on a timely basis. These measures aim to maintain an orderly learning environment and ensure the learning experience and the integrity of our platforms.

Real-time intelligent monitoring. We also take proactive measures, through our intelligent content monitoring system, to detect the irregular behavior of learners on our platforms and minimize the risk of repeated misbehaviors. We implement data-driven content analysis tools to prevent inappropriate comments or disturbing behaviors during live lectures.

Our Platforms

Our online learning platforms currently include *QiNiu* (rebranded from *KuaiCai*), *JiangZhen* and *QianChi* (rebranded from *BanCai*). We host these platforms via a combination of our mobile apps and Weixin, which facilitates our day-to-day learner management and engagement and form part of our sales and marketing functions to generate learner traffic. We embed a *QiNiu Circle* function inside our mobile app for *Qiniu*, which allows experts on our platform to continuously share financial knowledge and interact with learners. We also supply *QiNiu* mobile app with various value-added finance-related contents, including mini lessons on selected topics which are available in multiple audio-visual formats.

Technology and Infrastructure

Technology is the backbone of our highly scalable business mode. Our strong technological capability enables us to deliver superior user experience, enhance course offerings, and improve operating efficiency. Our technology team, supported with our proprietary artificial intelligence technology and the large volume of data generated from operations, has continued to identify opportunities for improvements in our technology infrastructure and applications. As of November 30, 2022, we had a total of 309 R&D staff.

Data analytics and business intelligence

We gather and analyze data from each key stage of users' connections and interactions with us, including their first point of contact with us through marketing channels, course enrollment, course attendance, interactions

with instructors and tutors, and participation in training camp communities. Using a set of data analytics tools, we implement a highly automated process to collect, organize and analyze such data, which significantly improves our operating efficiency and reduces potential errors. Our core strength lies in our ability to quickly capture and adopt insights from the data gathered and analyzed to refine business operations.

We have applied various big data and artificial intelligence technologies in multiple areas of business operations.

- *Intelligent marketing system.* We have been streamlining and enhancing our user acquisition and engagement process using data analytics tools. Leveraging our understanding of various channels, we developed in-house toolkits to synergize the conversion paths of potential users from different channels and boosted our cross-channel conversion efficiency. We have established a real-time system to accurately monitor and evaluate the KPIs throughout our sales and marketing process, which we believe has strengthened our understanding of users, optimized our platform operations, and enhanced user experience. We also digitalize the formation of new training camp communities with tools that automatically produce and modify group allocation to allow our tutors to better serve our users.
- *Intelligent interactive system.* We have consolidated our live interactions with users into a single, highly integrated broadcasting scenario to facilitate user participation at our live sessions. We simultaneously present the text-based lecture notes and the audio-visual information exchange between instructors and learners to maximize the potentials of teaching and learning in limited screen time. We also selectively embed our interactive system with real-time mini quizzes to boost the level of engagement. We provide automated exercise grading to allow our tutors to have more time for user interactions and make higher user-to-tutor ratio possible without compromising user experience.
- *Intelligent content development system.* We leverage big data analytics to monitor users' participation and conversion throughout the lecture. In particular, we collect and visualize key metrics including the number of viewing, exiting and converting user in every minute of the live session. We further align the specific inputs of the relevant instructors, such as the content being taught and the expression of the instructors with the key metrics, so that we can analyze and improve the content selection and presentation strategies of our instructors. Through the extensive and frequent utilization of our intelligent content development system, our instructors and/or content development personnel can precisely observe the quality and level of engagement for each part of the course contents and adjust accordingly.
- *Intelligent content monitoring system.* We have designed and implemented content monitoring system empowered by deep learning and natural language processing technologies and modes to oversee and reduce the incidents of inappropriate user-generated contents on our platform, such as inappropriate remarks and disturbing behaviors. It also maintains and continuously update a list of high-risk users and behaviors identified on our platform and take more stringent content monitoring measures against such users and behaviors.

Live streaming

We continuously enhance our live streaming capability to improve our course delivery effects and ensure our service stability and security. We have built our live streaming infrastructure upon flexible microservice architecture, industry-leading push solutions, and diversified content delivery network portfolio to ensure and optimize its operability and scalability. Our proprietary live streaming technology allows a simultaneous attendance of over 100,000 users, without compromising video quality or overcrowding our system. We have also adopted https secure transmission protocol and gateway dynamic routing with real-time authentication to fortify our live streaming system.

Network infrastructure

We have established a network infrastructure of high stability and capacity. We currently utilize third-party cloud service providers in China to host our network infrastructure. We back-up data stored on external network on a regular basis to our internal system. Our IT department monitors the performance of our platforms and network infrastructure around the clock to enable us to respond quickly to potential problems.

Data security and personal information protection

We collect and store different types of personal information concerning our users in our business operations based on the type of services requested. For instance, we generally collect cellphone numbers and/or social media accounts of our users for user registration purpose. We collect such information from different sources, including our mobile apps, our communities, applets and official accounts embedded on Weixin, and other marketing channels. We believe that the legitimate and positive use of data concerning our users is critical to our business success.

We provide our services via our mobile apps under standard user privacy provisions, pursuant to which we undertake to collect user information on a lawful, appropriate and necessary basis. These provisions inform users about the situations we will collect personal information, the type of information collected, how we store and use such information, users' rights, and our data security measures. We also establish a set of detailed rules in collecting and using user information for each key step in the provision of learning services and user engagement, including those relating our online training camp communities. We will not share user information with third parties unless there is express consent or required by law. We update our user privacy provisions from time to time to ensure that they comply with the relevant laws and regulations and stay abreast with our business updates.

We have implemented stringent internal protocols with respect to data storage, access, processing and extraction. For sensitive personal information, we apply encryption procedures, and grant classified and limited access to such information, generally after data masking, to those employees demonstrating authorized needs through an internal application and approval process. We have also implemented protocols on personal information security protection, which govern our internal business processes including the demand analysis, product design and development, testing and product launch, to evaluate and ensure our personal information compliance on an ongoing basis. To tackle potential security incidents, we design relevant action plans to limit the impact on our users and business operations.

To ensure the confidentiality and integrity of our data, we maintain a comprehensive data security system. We anonymize and encrypt sensitive personal information and cooperate with reputable third-party cloud service providers to ensure the security of our data storage. Our back-end security system is capable of handling malicious attacks to safeguard the security of our operations and to protect the information security of our users. We also perform audits of our data security and technology infrastructure to ensure that we can timely discover potential issues and minimize related risks.

Sales and Marketing

We primarily market our courses to individual users and enhance brand awareness through mobile and other online channels in China, with an emphasis on major social media platforms. At the same time, we also generate sales leads from word-of-mouth referrals by our users. We believe our high-quality course offerings and satisfactory learner experience will continue to generate our sales leads and new enrollments through word-of-mouth referrals.

We have formulated a highly consolidated sales process for our courses, comprising intricately linked steps that ultimately enrich our paying learner base. For instance, we anchor the potential demand for personal

financial skills with our marketing materials and present prospective users with the opportunity to participate in our introductory, live course sessions, during which interested users may continue their journey with us. We design the contents and presentation of our advertisements and other marketing materials according to the nature of the social media platforms to increase our marketing efficiency.

We attracted users to our offerings through placing on the marketing channels the direct enrollment access to our introductory courses. Our introductory courses mainly consist of warm-up lectures that not only inform users of the fundamentals of relevant topics but also simulate a more formal learning experience for them to understand the quality and nature of our course offerings.

Our success in the adult online learning industry with proven business model and robust learner base has enabled us to appeal to and efficiently market our enterprise services to enterprise customers.

Competition

China's adult learning market is relatively fragmented with a large number of industry players. We face competition with other online learning service providers, particularly those for financial literacy and other personal interest subjects.

We compete primarily on the following factors:

- quality of course offerings;
- users' learning experience;
- caliber of our instructors and tutors;
- technology infrastructure and data analytics capabilities; and
- sales and marketing effectiveness.

We believe that we are well-positioned to effectively compete based on the factors listed above. However, some of our current or future competitors may have greater financial, technical or marketing resources, greater brand recognition, or longer operating history than we do.

Corporate Social Responsibility

We are dedicated to broadening the access to high-quality personal interest and lifelong learning opportunities for all individuals in China. We believe that our course offerings are naturally constructive to social development, and we also actively involve ourselves in corporate social responsibility initiatives, leveraging our capabilities and insights in the relevant fields. Our recent initiatives include, among others:

- We co-authored the Financial Literacy Whitebook with industry experts and authoritative organizations in China to systematically analyze the landscape of the financial literacy industry, and provide insights into the improvement of financial knowledge for the mass market in China.
- We co-sponsored the Symposium on Consumer Right Protection in Digital Finance with the National Internet Finance Association of the PRC, to promote the relevant discussions between government authorities and industry experts.
- We are a member of the Online Education Professional Committee of the China Federation of Internet Societies, aiming to lead the healthy development of the online learning industry.
- We collaborate with Xinhua Finance, a reputable financial information platform in China, to improve the level of financial knowledge and awareness of financial interest protection of the mass market with illustrative and easy-to-grasp contents.

- We co-launched the Financial Knowledge Enhancement Program with a number of reputable financial institutions, companies and media group in China, to improve the financial literacy of the mass market. Under this program, we provided gratuitous online open courses to introduce basic financial knowledge to the audience.

Employees

We had 1,769, 2,007 and 2,269 full-time employees as of June 30, 2021 and 2022 and November 30, 2022, respectively. All of our employees are located in China. The following table sets forth the number of our full-time employees as of November 30, 2022:

Function:	As of November 30, 2022	
	Number	% of total
Course instruction and content development	52	2.3%
Course tutoring	1,534	67.7%
R&D	309	13.6%
User growth	91	4.0%
Course operations	139	6.1%
General and administrative	144	6.3%
Total	**2,269**	**100.0%**

In addition to our full-time employees, we also engage a number of part-time personnel, primarily part-time tutors, to facilitate the delivery and operation of our courses and enhance our operational efficiency and flexibility. As of November 30, 2022, we had a part-time workforce of more than 1,300.

We enter into employment contracts with our full-time employees which contain standard confidentiality provisions. We also enter into separate non-compete agreement with certain employees. In addition to base salaries and benefits, we provide performance-based bonuses for our full-time employees and commission-based compensation for our sales and marketing force.

As required by regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments for our PRC-based employees, including pension, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance, and housing fund. We are required under PRC laws to make contributions to employee benefit plans for our employees at specified rates.

We have not experienced material labor disputes with our employees in the past. None of our employees is represented by labor unions.

Facilities

As of the date of this prospectus, our principal offices are located in Beijing, China, where we lease premises of approximately 32,091 square meters, with lease term generally ranging from one to three years. We lease all the facilities that we currently occupy from unaffiliated third parties. We believe that the facilities that we currently lease are adequate to meet our needs for the foreseeable future.

Intellectual Property

We believe that our intellectual property rights distinguish our offerings and brand and sustain our competitive advantages. We rely on a combination of copyright and trademark law, trade secret protection and confidentiality agreements with employees to protect our intellectual property rights. For instance, we seek copyright and right of producers of audio-visual recordings protection for our premium course offerings and

software copyright protection for our platforms. Under the employment agreements we enter into with our employees, they acknowledge that the intellectual property created by them during the course of their employment belongs to us. We also closely monitor any infringement or misappropriation of our intellectual property rights.

As of the date of this prospectus, we have registered four patents, 82 domain names, 170 copyrights (including 31 software copyrights), and 236 trademarks in China, including certain trademarks relating to our core brand of "*QiNiu*," "*JiangZhen*," and "*QianChi*."

Insurance

As we operate primarily online, we do not maintain any liability insurance or property insurance policies covering users, equipment and facilities for injuries, death or losses due to fire, earthquake, flood or any other disaster. Consistent with customary industry practice in China, we do not maintain business interruption insurance, nor do we maintain key-man life insurance.

Legal Proceedings

From time to time, we may become a party to various legal or administrative proceedings arising in the ordinary course of our business, including labor disputes, customer complaints in relation to our refund policy, course content, and other dissatisfactions, administrative penalties in relation to our advertisements, and trademark and copyright disputes with third parties. We are currently not a party to, and we are not aware of any threat of, any legal or administrative proceedings that, in the opinion of our management, are likely to have any material and adverse effect on our business, results of operations or financial condition.

REGULATION

This section sets forth a summary of the most significant rules and regulations that affect our business activities in China or the rights our shareholders to receive dividends and other distributions from us.

Regulations on Foreign Investment

In March 2019, the Foreign Investment Law of PRC (the "Foreign Investment Law") was promulgated by National People's Congress and came into effect in January 1, 2020, which replaced the Sino-Foreign Equity Joint Venture Enterprise Law of PRC, the Sino-Foreign Cooperative Joint Venture Enterprise Law of PRC and the Wholly Foreign-owned Enterprise Law of PRC, and became the legal foundation for foreign investment in the PRC. To ensure the effective implementation of the Foreign Investment Law, the Regulations on Implementing the Foreign Investment Law of PRC (the "Implementation Regulations"), was promulgated by State Council in December 2019 and came into effect on January 1, 2020, which further provides that a foreign-invested enterprise established prior to the effective date of the Foreign Investment Law shall adjust its legal form or governance structure to comply with the provisions of the Company Law of the PRC or the Partnership Enterprises Law of the PRC, as applicable, and complete amendment registration before January 1, 2025.

According to the Foreign Investment Law, the State Council shall promulgate or approve a list of special administrative measures for access of foreign investments (the "Negative List"). The Foreign Investment Law grants national treatment to foreign-invested entities, except for those investing in the industries specified in the Negative List.

The NDRC and MOFCOM jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 version) (the "2021 Negative List") in December 2021. The 2021 Negative List sets out the industries in which foreign investments are prohibited or restricted. Pursuant to the Foreign Investment Law, the Implementation Regulations and the 2021 Negative List, foreign investors shall not make investments in prohibited industries as specified in the Negative List, while foreign investments must satisfy certain conditions stipulated in the Negative List for investment in restricted industries. Industries not listed in the Negative List are generally deemed "permitted" for foreign investments. In the meantime, relevant competent government departments will formulate a catalog of the specific industries, fields and regions in which foreign investors are encouraged and guided to invest according to the national economic and social development needs.

We are a Cayman Islands company and our businesses by nature in China are mainly providing value-add telecommunications service and other internet related businesses which fall within the 2021 Negative List. The business operations that are restricted or prohibited for foreign investment are conducted through the affiliated entities.

Regulations on Value-Added Telecommunication Services

Regulations relating to value-added telecommunications services

The Telecommunications Regulations of the PRC (the "Telecommunications Regulations"), as promulgated by the State Council in 2000 and most recently amended in 2016, requires telecommunications service providers to obtain operating licenses prior to the commencement of their operations. The Telecommunications Regulations distinguish "infrastructure telecommunications services" from "value-added telecommunications services". According to the Telecommunications Regulations, operators of value-added telecommunications services shall obtain value-added telecommunications business operation licenses from the MIIT or its provincial branches prior to the commencement of such services.

Moreover, the Administrative Measures on Telecommunications Business Operating Licenses (2017 Revision), promulgated by the MIIT in July 2017, set forth more provisions to specify the types of licenses required to operate value-added telecommunications services, the qualifications and procedures for applying such licenses and the administration and supervision of such licenses.

Regulations relating to foreign investment restriction on value-added telecommunications services

Pursuant to the Regulations for the Foreign-Invested Telecommunications Enterprises, which was promulgated by the State Council in 2001 and most recently amended on March 29, 2022, foreign-invested value-added telecommunication enterprises in the PRC shall be established as Sino-foreign equity joint ventures, and the ultimate foreign equity ownership in a foreign-invested value-added telecommunication enterprise is subject to a cap of 50%. The 2021 Negative List further states that the equity ratio of foreign investment in the value-added telecommunications enterprises shall not exceed 50% except for the investment in e-commerce operation business, domestic multi-party communication business, information storage and re-transmission business or call center business.

In 2006, the Ministry of Information Industry issued the Circular on Strengthening the Administration of Foreign Investment in and Operation of Value-added Telecommunications Business, according to which, a foreign investor in the telecommunications service industry in the PRC must establish a foreign invested enterprise and apply for a telecommunications business operation license, while a PRC domestic company that holds a value-added telecommunications business operation licenses is prohibited from leasing, transferring or selling such license to foreign investors in any means, and from providing any assistance, including providing resources, sits or facilities, to foreign investors that illegally conduct value-added telecommunications business in the PRC.

Regulations relating to internet information services

The Administrative Measures on Internet Information Services (the "Internet Measures"), which was promulgated by the State Council in September 2000 and was later amended in 2011, set out guidelines on the provision of internet information services. The Internet Measures classified internet information services into commercial internet information services and non-commercial internet information services, and according to which, a commercial operator of internet content provision services must obtain a ICP License, from the appropriate telecommunications authorities.

According to the Internet Measures, violators may be subject to penalties, including criminal sanctions, for providing internet content that opposes the fundamental principles stated in the Constitution of the PRC; compromises national security, divulges national secrets, subverts national power or damages national unity; harms national dignity or interest; incites ethnic hatred or racial discrimination or damages inter-ethnic unity; undermines the PRC's religious policy or propagates superstition; disseminates rumors, disturbs social order or disrupts social stability; disseminates obscenity or pornography, encourages gambling, violence, murder or fear or incites the commission of a crime; insults or slanders a third party or infringes upon the lawful rights and interests of a third party; or is otherwise prohibited by law or administrative regulations. The PRC government may order ICP License holders that violate any of the abovementioned content restrictions to rectify and, under serious conditions, revoke the ICP License.

Regulations on Online Transmission of Audio-Visual Programs

The State Administration of Radio, Film and Television (the "SARFT") (currently known as National Radio and Television Administration), and the MIIT jointly promulgated the Administrative Provisions on Internet Audio-Visual Program Services in December 2007 (the "Audio-Visual Program Provisions"), which was latest amended in August 2015. According to the Audio-Visual Program Provisions, "internet audio-visual program services" is defined as activities of producing, redacting and integrating audio-visual programs, and providers of internet audio-visual program services are required to obtain a license for online transmission of audio-visual programs (the "Audio-Visual License"). Entities engaged in Internet audio-visual program services without obtaining the Audio-Visual License may be subject to warning, order to rectify, and a fine of no more than RMB30,000. Under serious conditions, the equipment used for such activities shall be confiscated and a fine of one but no more than two times of the investment amount may be imposed.

However, according to the Notice on Relevant Issues Concerning Application and Approval of License for the Online Transmission of Audio-Visual Programs, which was issued by the SARFT in May 2008 and was latest amended in 2015, applicants of the Audio-Visual License shall be wholly state-owned or state-controlled entities and foreign-invested enterprises are not eligible to apply.

Regulations on Production and Distribution of Radio and Television Programs

According to the Provisions for the Administration of the Production and Distribution of Radio and Television Programs promulgated by the SARFT in 2004 and was latest amended on October 29, 2020, any entity that produces or operates radio or television programs must obtain a Permit for Production and Operation of Radio and Television Programs. Entities holding such permits shall conduct their business within the permitted scope as provided in their permits. Entities engaging in the producing or operating of radio or television programs without such permit shall be subject to the closure of business, confiscation of used tools, equipment and carriers, as well as a fine between RMB10,000 to RMB50,000.

Regulations on Online Publishing

The State Administration of Press, Publication, Radio, Film and Television (the "SAPPRFT") (whose duty has been brought under the National Administration of Press and Publication) and the MIIT jointly issued the Administrative Provisions on Online Publishing Services in February 2016 (the "Online Publishing Provisions"). Pursuant to the Online Publishing Provisions, any entity providing online publishing services shall obtain an Online Publishing Services Permit. "Online publishing services" refer to the provision of online publications to the public via information networks; "online publications" refer to digital works with publishing features such as having been edited, produced or processed and are available to the public through information networks. Entities engaging in the online publishing services without such permit shall be subject to the closure of business, confiscation of illegal income, used tools and equipment, as well as a fine of more than five times but less than ten times of the illegal income, if such illegal income is more than RMB10,000; or a fine of less than RMB50,000, if the illegal income is less than RMB10,000.

Regulations on Online Live Streaming Services

The CAC issued the Administrative Regulations on Online Live Streaming Services (the "Online Live Streaming Regulations") in 2016. According to the Online Live Streaming Regulations, provision of online live streaming services through online performances and online audio-visual programs is subject to the relevant qualifications specified in the laws and regulations. Neither a provider nor user of online live streaming services may take advantage of online live streaming services to engage in activities prohibited by laws and regulations, such as undermining national security, destabilize society, disturbing social order, infringing on others' lawful rights and interests, and disseminating pornographic or obscene materials, and may take advantage of online live streaming services to produce, reproduce, release and disseminate information prohibited by laws and regulations.

The National Radio and Television Administration and the Ministry of Culture and Tourism of the PRC jointly issued the Code of Conduct for Online Streamers on June 8, 2022, to regulate the conduct of streamers who provide online performances and audio-visual program services through the Internet, including those who live stream on the online platforms, conduct real-time interactions with users, and perform in uploaded audio or video programs. For live streaming content that requires a high level of professionalism (such as medical and health care, finance, law, education), the streamers should obtain the corresponding qualifications and report to the live streaming platform, and the live streaming platform shall review and record the qualifications of the streamers.

Regulations on Internet Information Security and Censorship

The Decisions on Protection of Internet Security enacted by the Standing Committee of the National People's Congress in 2000, as amended in 2009, provides that, among other things, the following activities

conducted through the internet, if constituted a crime according to PRC laws, are subject to criminal punishment: (1) intrusion into a strategically significant computer or system; (2) intentionally inventing and disseminating destructive programs, such as computer viruses, to attack the computer system and the communications network, thereby destroying the computer system and the communications networks; (3) violating national regulations, suspending the computer networks or the communication services without authorization; (4) leaking state secrets; (5) spreading false commercial information; or (6) infringing intellectual property rights through internet.

In 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the PRC (the "Cybersecurity Law") which applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators are subject to various security protection-related obligations, including but not limited to (1) complying with security protection obligations under graded system for cybersecurity protection requirements, which include formulating internal security management rules and operating instructions, appointing cybersecurity responsible personnel and their duties, adopting technical measures to prevent computer viruses, cyber-attack, cyber-intrusion and other activities endangering cybersecurity, adopting technical measures to monitor and record network operation status and cybersecurity events; (2) formulating a emergency plan and promptly responding and handling security risks, initiating the emergency plans, taking appropriate remedial measures and reporting to regulatory authorities in the event comprising cybersecurity threats; and (3) providing technical assistance and support to public security and national security authorities for protection of national security and criminal investigations in accordance with the law.

On June 10, 2021, the Standing Committee of the National People's Congress promulgated the Data Security Law of PRC (the "Data Security Law") which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including hierarchical data classification management system, risk assessment system, monitoring and early warning system, and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility.

On July 30, 2021, the State Council promulgated the Regulations on Protection of Critical Information Infrastructure, which became effective on September 1, 2021. Pursuant to the Regulations on Protection of Critical Information Infrastructure, critical information infrastructure shall mean any important network facilities or information systems of the important industry or field such as public communication and information service, energy, communications, water conservation, finance, public services, e-government affairs and national defense science, which may endanger national security, people's livelihood and public interest in case of damage, function loss or data leakage. In addition, competent departments and administration departments of each important industry and field (the "Protection Departments"), shall be responsible to formulate determination rules and determine the critical information infrastructure operator in the respective important industry or field. The result of the determination of critical information infrastructure operator shall be informed to the operator. As of the Latest Practicable Date, no detailed rules or implementation has been issued by any Protection Departments and we have not been informed as a critical information infrastructure operator by any competent departments or administration departments.

On November 14, 2021, the CAC published the Regulations on Network Data Security Management (Draft for Comments) (the "Draft Regulations on Cyber Data Security Management"), which specified that data processor who processing the personal information of more than one million individuals and seeks to go public overseas, shall apply for cybersecurity review. In addition, the Draft Regulations on Cyber Data Security Management also regulate other specific requirements in respect of the data processing activities conducted by data processors through the internet in view of personal data protection, important data safety, cross-broader data safety management and obligations of network platform operators. For instance, in one of the following situations, data processors shall delete or anonymize personal information within 15 business days: (1) the purpose of processing personal information has been achieved or the purpose of processing is no longer needed;

(2) the storage term agreed with the users or specified in the personal information processing rules has expired; (3) the service has been terminated or the account has been canceled by the individual; or (4) unnecessary personal information or personal information unavoidably collected due to the use of automatic data collection technology but without the consent of the individual. For the processing of important data, specific requirements shall be complied with. For instance, processors of important data shall specify the responsible person of data safety, establish a data safety management department and make filing to the cyberspace administration at the districted city level within 15 business days after the identification of their important data.

Data processors processing personal information of more than one million people shall also comply with the provisions for processing of important data stipulated in Draft Regulations on Cyber Data Security Management for important data processors. Data processors dealing with important data or listing overseas should carry out an annual data security assessment by themselves or by entrusting data security service agencies, and each year before January 31 data security assessment report for the previous year shall be submitted to the districted city level cyberspace administration department. When data collected and generated within the PRC are provided to the data processors overseas, if such data includes important data, or if the relevant data processor is a critical information infrastructure operator or processes personal information of more than one million people, the data processor shall go through the security assessment of cross-border data transfer organized by the CAC. Any failure to comply with such requirements may subject us to, among others, suspension of services, fines, revoking relevant business permits or business licenses and penalties. Since the Regulations on Network Data Security Management (Draft for Comments) has not been formally adopted as of the date of this document, the revised draft (especially its operative provisions) and its anticipated adoption or effective date are subject to further changes with substantial uncertainty.

On December 28, 2021, the CAC and other twelve PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (the "Cybersecurity Review Measures") which became effective on February 15, 2022, and the Measures for Cybersecurity Review which took effect on June 1, 2020 was abolished at the same time. The Cybersecurity Review Measures provides for certain circumstances under which network platform operators are subject to cybersecurity review.

On July 7, 2022, the CAC promulgated the Security Assessment Measures for Outbound Data Transfer, effective from September 1, 2022 (the "Security Assessment Measures") to regulate outbound data transfer activities, protect the rights and interests of personal information, safeguard national security and social public interests, and promote the cross-border security and free flow of data. Furthermore, the Security Assessment Measures provide that the security assessment for outbound data transfers shall follow principles of the combination of pre-assessment and continuous supervision and the combination of risk self-assessment and security assessment, so as to prevent the security risks arising from outbound data transfers, and ensure the orderly and free flow of data according to the law. For outbound data transfers that have been carried out prior to the implementation of the Security Assessment Measures, if not in compliance with the Security Assessment Measures, rectification shall be completed within 6 months from the implementation of the Security Assessment Measures. Considering the nature of our daily operations, we will not trigger outbound data transfer during such daily operations. We do not expect the Security Assessment Measures to have material impact on our daily operations in respect of the outbound data transfer. However, since the Security Assessment Measures is newly promulgated, there remains uncertainty as to how the new Measures will be implemented and interpreted by the competent authorities. See "Risk Factors — Risks Related to Our Business and Industry — The regulatory framework for data security and personal information protection in China is rapidly evolving, and we could face challenges in our continued compliance with the heightened regulatory scrutiny."

Regulations on Privacy Protection

Pursuant to the PRC Civil Code, personal information of a natural person shall be protected by the law. Any organization or individual that need to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

Further, the Ninth Amendment to the Criminal Law of the PRC stipulates that any internet service provider that fails to fulfill the obligations related to Internet information security as required by applicable laws and refuses to take corrective measures, will be subject to criminal liability for (1) any large-scale dissemination of illegal information; (2) any severe effect due to the leakage of users' personal information; (3) any serious loss of evidence of criminal activities; or (4) other severe situations, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in severe situations.

The Ministry of Public Security issued the Regulations on Technological Measures for Internet Security Protection in December 2005, requires Internet service providers to take proper measures including anti-virus, data back-up and other related measures, and to keep records of certain information about their users (including user registration information, log-in and log-out time, IP address, content and time of posts by users) for at least 60 days, and detect illegal information, stop transmission of such information, and keep relevant records. Internet services providers are prohibited from unauthorized disclosure of users' information to any third parties unless such disclosure is required by the laws and regulations. It has also required to establish management systems and take technological measures to safeguard the freedom and secrecy of the users' correspondences.

In addition, according to the Administrative Provisions on Mobile Internet Application Information Services (the "Mobile Application Administrative Provisions") which was promulgated by the CAC in 2016, the mobile internet applications providers shall acquire relevant qualifications required by laws and regulations and implement the information security management responsibilities strictly and fulfill their obligations, including real-name system, protection of users' information, examination and management of information content, etc. The CAC amended the Mobile Application Administrative Provisions in June 2022, which effective from August 1, 2022, and emphasizes that mobile internet applications providers shall comply with relevant provisions on the scope of necessary personal information when engaging in personal information processing activities. The application providers shall not compel the user to agree to the processing of personal information for any reason, and shall not refuse the user to use its basic functions and services because the user does not agree to provide non-essential personal information. As of the date of this document, we have adopted real-name registration system and established the user information security protection mechanism pursuant to the Mobile Application Administrative Provisions.

Pursuant to the Decisions on Strengthening the Protection of Online information, issued by the Standing Committee of the National People's Congress in 2012 and the Protection Provisions for the Personal Information of Telecommunications and Internet Users promulgated by the MIIT in 2013, telecommunication business operators and internet service providers are required to set up their own rules for collecting and use of internet users' information and are prohibited from collecting or use such information without consent from users. Moreover, telecommunication business operators and internet service providers shall strictly keep users' personal information confidential and shall not divulge, tamper with, damage, sell or illegally provide others with such information.

The CAC, the MIIT, the Ministry of Public Security and the SAMR jointly issued the Notice on Promulgation of the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications in March 2021, effective from May 1, 2021, specifying that the operator of an internet application shall not refuse an user to use the App's basic functional services on the ground that the user disagree with the collection of unnecessary personal information.

On August 20, 2021, the Standing Committee of the National People's Congress promulgated the Law of Personal Information Protection of PRC (the "Personal Information Protection Law") which became effective on November 1, 2021. Pursuant to the Personal Information Protection Law, the processing of personal information includes the collection, storage, use, processing, transmission, provision, disclosure, deletion, etc. of personal information, and before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of the following matters in a conspicuous manner and in clear and

easy-to-understand language: (1) the name and contact information of the personal information processor; (2) purpose of processing personal information, processing method, type of personal information processed, and retention period; (3) methods and procedures for individuals to exercise their rights under this law; and (4) other matters that should be notified as required by laws and administrative regulations. Personal information processors should also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations based on the processing purpose, processing methods, types of personal information, impact on personal rights and interests, and possible security risks, etc., and to prevent unauthorized access and personal information leakage, tampering, and loss: (1) formulate internal management systems and operating procedures; (2) implement classified management of personal information; (3) adopt corresponding security technical measures such as encryption and de-identification; (4) reasonably determine the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (5) formulate and organize the implementation of emergency plans for personal information security incidents; and (6) other measures stipulated by laws and administrative regulations.

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

On June 27, 2022, the CAC promulgated the Administrative Provisions on the Account Information of Internet Users, effective from August 1, 2022 (the "Account Information Provisions") which applies to the registration, use, and management of internet users' account information by internet information service providers. The Account Information Provisions stipulates that internet information service providers shall, in accordance with laws, administrative regulations and relevant state regulations, formulate and disclose internet user account management rules and platform conventions, sign service agreements with internet users, and clarify the rights and obligations related to account information registration, use, and management. The Account Information Provisions also requires that the internet information service providers shall protect and handle internet users' account information in accordance with law, and take measures to prevent unauthorized access and leakage, tampering, and loss of personal information. The internet information service providers shall set up convenient complaints and reporting portals in prominent locations, publicize complaints and reporting methods, improve mechanisms for acceptance, screening, disposal, and feedback, clarify processing procedures and time limits for feedback, and promptly handle complaints and reports from users and the public. Failure to comply with the above requirements may subject to warning, be ordered to rectify within a prescribed time limit and may be imposed a fine ranging from RMB10,000 to RMB100,000.

Regulations on Consumer Protection

To protect the legitimate rights and interests of consumers, to maintain social and economic order, and to promote the healthy development of the socialist market economy, the Standing Committee of the National People's Congress promulgated the PRC Consumer Rights and Interests Protection Law (the "Consumer Protection Law") in 1993 and latest amended in 2013. According to the Consumer Protection Law, business

operators shall guarantee that the products and services they provide satisfy the requirements for personal or property safety, and provide consumers with authentic information about the quality, function, usage and term of validity of the products or services. The Consumer Protection Law also strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators. For instance, business operators collecting and using personal information of consumers shall adhere to the principles of legitimacy, bona fide and necessity, state expressly the purpose, method and scope of collection and use of information, and shall obtain the consent of consumers. In addition, personal information of consumers collected by business operators and their staff shall not be divulged, sold or provided to others illegally. Business operators shall not send commercial information to consumers without their consent or request or when a consumer has explicitly rejected.

Regulations on Advertisement

In 1994, the Standing Committee of the National People's Congress promulgated the Advertising Law of the PRC in 1994 and latest amended in 2021 (the "Advertising Law"). The Advertising Law requires that advertisers, advertising operators, and advertisement publishers shall abide by the laws and administrative regulations, and by the principles of fairness and good faith while engaging in advertising activities. In addition, where a special government review is required for certain categories of advertisements before publishing, the advertisers, advertising operators and advertising distributors are obligated to confirm that such review has been duly performed and that the relevant approval has been obtained. If the advertisers, advertising operators and advertising distributors display any pop-up advertisement, they shall show the close button clearly to make sure that the viewers can close the advertisement upon one-click. Violations of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information, and for serious violation, termination of advertising operations or revocation of business license. Furthermore, advertisers, advertising operators or advertising distributors may be subject to civil liabilities if they infringe on the legal rights and interests of third parties.

The Interim Measures for Administration of Internet Advertising promulgated by the State Administration for Industry and Commerce of PRC (currently known as the SAMR) in 2016 (the "Internet Advertising Measures") regulates any advertisement published on the Internet, including but not limited to, through websites, webpage and APPs, in the form of word, picture, audio and video and provides more detailed guidelines to the advertisers, advertising operators and advertising distributors. According to the Internet Advertising Measures, Internet advertisements shall be distinguishable and prominently marked with "advertisements", in order to enable consumers to identify them as advertisements.

Regulations on Financial Marketing Services

On December 31, 2021, the People's Bank of China with other six government authorities jointly issued the Measures for Administration of Internet Marketing of Financial Products (Draft for Comments), which regulate financial institutions or internet platform operators entrusted by such financial institutions carrying out internet marketing activities of financial products. Pursuant to this draft, institution and individual shall not provide internet marketing services for illegal financial activities such as illegal fundraising, and shall not provide internet marketing for private equity financial products to unspecified objects. The draft also prohibits third-party online platform operators from being involved in the sale of financial products or participating in the income sharing of financial business in a disguised way. As of the date of this prospectus, the Measures for Administration of Internet Marketing of Financial Products (Draft for Comments) has not been formally adopted.

Regulations on Intellectual Property

Copyright

China has enacted various laws and regulations relating to the protection of copyright. China is a signatory to some major international conventions on protection of copyright and became a member of the Berne

Convention for the Protection of Literary and Artistic Works in October 1992, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

According to the Copyright Law of the PRC, promulgated by the Standing Committee of the National People's Congress, which was latest amended in November 2020, and its related Implementing Regulations, Chinese citizens, legal persons, or other organizations shall, whether published or not, own copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. Copyright owners of protected works enjoy personal rights and property rights with respect to publication, authorship, alteration, integrity, reproduction, distribution, lease, exhibition, performance, projection, broadcasting, dissemination via information network, production, adaptation, translation, compilation and other rights shall be enjoyed by the copyright owners.

Pursuant to the Regulations on Protection of Information Network Transmission Right promulgated by the State Council in 2006, which was amended in 2013, in the event of infringement, such as providing any work, performance or audio-visual product of others to the public through the information network without authorization or permission, the infringer shall undertake civil liability to stop infringement, eliminate effect, apologize and compensate the damages etc.; where the infringement causes damage to public interest, the copyright administrative authorities may confiscate the illegal income and impose a fine; where the case constitutes a criminal offense, criminal liability shall be pursued in accordance with the law.

Pursuant to the Regulation on Computers Software Protection and the Measures for the Registration of Computer Software Copyright, the National Copyright Administration is mainly responsible for the registration and management of software copyright in China and recognizes the China Copyright Protection Center as the software registration organization. The China Copyright Protection Center shall grant certificates of registration to computer software copyright applicants in compliance with the regulations of the Measures for the Registration of Computer Software Copyright and the Regulation on Computers Software Protection.

Trademark

According to the Trademark Law of the PRC and the Implementation Regulation of the Trademark Law of the PRC, registered trademarks are granted a term of ten years which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record, and the Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Conducts that shall constitute an infringement of the exclusive right to use a registered trademark include but not limited to using a trademark that is identical with or similar to a registered trademark on the same or similar goods without the permission of the trademark registrant, and the infringing party will be ordered to stop the infringement act immediately and may be imposed a fine. The infringing party may also be held liable for the right holder's damages, which will be equal to gains obtained by the infringing party or the losses suffered by the right holder as a result of the infringement, including reasonable expenses incurred by the right holder for stopping the infringement.

Patent

In accordance with the Patent Law of the PRC, promulgated by the Standing Committee of the National People's Congress, which was latest amended in October 2020 and became effective on June 1, 2021, and its Implementation Rule, patent is divided in to 3 categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and ten years, respectively, which all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Domain names

The Measures on Administration of Internet Domain Names was promulgated by the MIIT in 2017, which adopts "first to file" rule to allocate domain names to applicants, and provide that the MIIT shall supervise the domain names services nationwide and publicize the PRC domain name system. After completion of the registration procedures, the applicant will become the holder of the relevant domain name.

Regulations on Foreign Exchange

Regulations relating to foreign currency exchange

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations of the PRC, most recently amended in August 2008. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital account items, such as direct investments, repayment of foreign currency-denominated loans, repatriation of investments and investments in securities outside of China.

According to the Circular of SAFE on Further Improving and Adjusting the Foreign Exchange Policies on Direct Investment, promulgated in 2012 and latest amended in 2019, foreign exchange control measures related to foreign direct investment are improved, such as (1) the open of and payment into the foreign exchange account related to direct investment are no longer subject to approval by SAFE; (2) reinvestment with legal income of foreign investors in China is no longer subject to approval by SAFE; (3) purchase and external payment of foreign exchange related to foreign direct investment are no longer subject to approval by SAFE.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (the "SAFE Circular 19") on March 30, 2015, and it became effective on June 1, 2015 and was partially repealed on December 30, 2019. The SAFE Circular 19 expands a pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. In June 2016, SAFE further promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (the "SAFE Circular 16") which, among other things, amends certain provisions of SAFE Circular 19. Pursuant to the SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

In October 2019, SAFE issued the Circular of Further Facilitating Cross-border Trade and Investment (the "SAFE Circular 28"), which cancels the restrictions on domestic equity investments by capital fund of non-investment foreign invested enterprises and allows non-investment foreign invested enterprises to use their capital funds to lawfully make equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (the "SAFE Circular 8"), issued by SAFE in April 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, 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 prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements. The interpretation and implementation in practice of the SAFE Circular 28 and SAFE Circular 8 are still subject to substantial uncertainties given they are newly issued regulations.

Regulations relating to offshore investment

In July 2014, the SAFE issued the SAFE Circular on Relevant Issues Relating to Domestic Resident's Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (the "SAFE Circular 37"). SAFE Circular 37 regulates foreign exchange matters in relation to the use of special purpose vehicles (the "SPV"), by PRC residents or entities to seek offshore investment and financing or conduct round trip investment in China. Under the SAFE Circular 37, a SPV refers to an offshore entity established or controlled, directly or indirectly, by PRC residents or entities for the purpose of seeking offshore financing or making offshore investment, using legitimate onshore or offshore assets or interests, while "round trip investment" refers to direct investment in China by PRC residents or entities through SPVs, namely, establishing foreign-invested enterprises to obtain the ownership, control rights and management rights. The SAFE Circular 37 provides that, before making contribution into an SPV, PRC residents or entities are required to complete foreign exchange registration with SAFE or its local branch.

According to the Circular on Further Simplifying and Improving the Foreign Currency Management Policy on Direct Investment (the "SAFE Circular 13"), promulgated by SAFE in 2015 and latest amended in December 2019, local banks, instead of SAFE, will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration.

Regulations relating to stock incentive plans

Pursuant to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (the "SAFE Circular 7"), promulgated by SAFE in 2012, employees, directors, supervisors, and other senior management participating in any share incentive plan of an overseas publicly-listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to a few exceptions, are required to register with SAFE through a domestic agency. Moreover, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests.

In addition, the State Administration of Taxation (the "SAT"), has issued certain circulars concerning employee share options or restricted shares, under which the employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. The PRC subsidiaries of such overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If the employees fail to pay or the PRC subsidiaries fail to withhold their income taxes as required by relevant laws and regulations, the PRC subsidiaries may face sanctions imposed by the PRC tax authorities or other PRC government authorities.

Regulations on Tax

Enterprise income tax

According to the Enterprise Income Tax Law of the PRC, which was promulgated by the National People's Congress in 2007 and was latest amended in 2018 by the SCNPC, and the Implementation Regulations for the Enterprise Income Tax Law of the PRC, which was promulgated by the State Council and was latest amended in 2019, collectively referred to as the Enterprise Income Tax Law, a uniform 25% enterprise income tax rate is imposed to both foreign invested enterprises and domestic enterprises, except where tax incentives are granted to special industries and projects. Enterprise qualifying as "High and New Technology Enterprises" is entitled to a preferential 15% enterprise income tax rate, which will continue as long as such enterprise can retain its "High and New Technology Enterprise" status.

Under the Enterprise Income Tax Law, an enterprise established outside China with "de facto management body" located in China is considered a "resident enterprise" for PRC enterprise income tax purposes and is

generally subject to a uniform 25% enterprise income tax rate on its worldwide income, and a "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise. The Circular Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies promulgated by SAT and latest amended in 2017 provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China.

Pursuant to the Bulletin on Issues of Enterprise Income Tax on Indirect Transfers of Assets by Non-PRC Resident Enterprises (the "SAT Bulletin 7"), which was promulgated by SAT in 2015, if a non-resident enterprise indirectly transfers properties such as equity in PRC resident enterprises without any justifiable business purposes and aiming to avoid the payment of enterprise income tax, such indirect transfer must be reclassified as a direct transfer of properties in PRC resident enterprise. However, SAT Bulletin 7 has introduced safe harbors for internal group restructurings and the purchase and sale of equity securities through a public securities market. In addition, SAT issued the Announcement of the State Administration of Taxation on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source (the "SAT Bulletin 37") in 2017, which further clarifies the practice and procedure of the withholding of non-resident enterprise income tax.

Value-added tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax, which was promulgated by the State Council and was latest amended in 2017, and the Implementation Rules for the Provisional Regulations the PRC on Value-added Tax, which was promulgated by the Ministry of Finance and was latest amended in 2011, entities and individuals engaging in selling goods, providing processing, repairing or replacement services or importing goods within the territory of the PRC are taxpayers of the value-added tax.

According to the Notice of the Ministry of Finance and the State Taxation Administration on the Adjusting Value-added Tax Rates effective in May 2018, the value-added tax rates of 17% and 11% on sales, imported goods shall be adjusted to 16% and 10%, respectively.

According to the Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform promulgated in March 2019, the value-added tax rates of 16% and 10% on sales, imported goods shall be adjusted to 13% and 9%, respectively.

Regulations on Dividend Distribution

The principal laws, rules and regulations governing dividend distributions by foreign-invested enterprises in the PRC are the PRC Company Law, promulgated in 1993 and latest amended in 2018, and the Foreign Investment Law and its Implementation Regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. A PRC company is required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to 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.

The Enterprise Income Tax Law and its implementation rules provide that since January 1, 2008, an enterprise income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC, unless any such non-PRC

resident investors' jurisdiction of incorporation has a tax treaty with China that provides for a preferential withholding arrangement.

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 Incomes (the "Double Tax Avoidance Arrangement") and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5%. However, based on the Notice of the State Administration of Taxation on Issues Relating to the Implementation of Dividend Clauses in Tax Treaties, issued by SAT in 2009, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment. According to the Announcement of the State Administration of Taxation on Issues Relating to "Beneficial Owner" in Tax Treaties issued by SAT in 2018, if an applicant's business activities do not constitute substantive business activities, it could result in the negative determination of the applicant's status as a "beneficial owner", and consequently, the applicant could be precluded from enjoying the above-mentioned reduced income tax rate of 5% under the Double Tax Avoidance Arrangement.

Regulations on Employment and Social Welfare

Regulations relating to employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law, the Labor Contract Law and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of temporary employees and dismissal of employees.

Regulations relating to social insurance and housing fund

The PRC Social Insurance Law issued by the Standing Committee of the National People's Congress in 2010 and latest amended in 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. For instance, an enterprise shall pay or withhold relevant social insurance for or on behalf of its employees, failure to make sufficient contributions to the social insurance will result in late fees and fines.

The Administrative Measures on Housing Funds issued by the State Council in 1999 and latest amended in 2019 provides that enterprise must register with the competent managing center for housing funds and shall contribute to the housing fund for its employees, failure to timely pay and deposit housing fund contributions in full amount will be ordered to complete the relevant procedures within a prescribed time limit or be fined.

Regulations on Anti-monopoly

According to the Anti-Monopoly Law of the PRC and other relevant regulations, where a concentration reaches one of the following thresholds, a declaration must be lodged in advance with the anti-monopoly law enforcement agency under the State Council, or otherwise the concentration shall not be implemented (1) during the previous fiscal year, the total global turnover of all operators participating in the transaction exceeded RMB10 billion, and at least two of these operators each had a turnover of more than RMB400 million within China; or (2) during the previous fiscal year, the total turnover within China of all operators participating in the transaction exceeded RMB2 billion, and at least two of these operators each had a turnover of more than RMB400 million within China. "Concentration of undertakings" means any of the following (1) a merger of

undertakings; (2) acquiring control over other undertakings by acquiring equities or assets; or (3) acquisition of control over, or the possibility of exercising decisive influence on, an undertaking by contract or by any other means.

Regulations on M&A and Overseas Listings

MOFCOM, the CSRC, SAFE and other three other PRC governmental and regulatory agencies jointly promulgated the Provisions on Merger and Acquisition of Domestic Enterprises by Foreign Investors (the "M&A Rules"), which became effective in 2006 and was latest amended in 2009. The M&A Rules, among other things, requires that if an overseas company established or controlled by PRC companies or individuals (the "PRC Citizens"), intends to acquire interests or assets of any other PRC domestic company affiliated with the PRC Citizens, such acquisition must be submitted to MOFCOM for approval. The M&A Rules also requires that offshore special purpose vehicles formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicles' securities on an overseas stock exchange.

The M&A Rules also establish procedures and requirements that could make some acquisitions of PRC companies by foreign investors more time-consuming and complex, including requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. In addition, the Rules on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprises by Foreign Investors issued by MOFCOM in 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by MOFCOM, and prohibit any activities attempting to bypass such security review, including by structuring the transaction through a proxy or contractual control arrangement. On December 19, 2020, the NDRC and MOFCOM jointly promulgated the Measures for the Security Review of Foreign Investment to forth provisions concerning the security review mechanism on foreign investment, including the types of investments subject to review, review scopes and procedures, among others. According to the Measures for the Security Review of Foreign Investment, foreign investments in military, national defense-related areas or in locations in proximity to military facilities, or foreign investments that would result in acquiring the actual control of assets in certain key sectors, such as critical agricultural products, energy and resources, equipment manufacturing, infrastructure, transport, cultural products and services, information technology, Internet products and services, financial services and technology sectors, are required to obtain approval from designated government authorities in advance.

On July 6, 2021, General Office of the State Council and General Office of the CPC Central Committee issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. The opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China- based overseas-listed companies.

On December 24, 2021, the CSRC released the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) (the "Draft Rules Regarding Overseas Listing"), the deadline for public comments of which was January 23, 2022.

These provisions shall apply to domestic enterprises that issue shares, depository receipts, convertible corporate bonds, or other equity instruments overseas, or list and trade their securities overseas, and the CSRC shall supervise and administer the overseas securities offering and listing activities of domestic enterprises, and such domestic enterprises shall go through the filing procedures with the CSRC and report relevant information.

According to the Draft Rules Regarding Overseas Listing, domestic enterprises offering and listing overseas will need to comply with continuous filing and reporting requirements after its filing, including (1) a reporting obligation in respect of any material event which arose prior to such offering and listing; (2) filing for follow-on offerings after the initial offering and listing; (3) filing for transactions in which the issuer issues securities for acquiring assets; and (4) a reporting obligation for material events after the initial offering and listing. Meanwhile, overseas securities offerings and listings by China-based companies are explicitly forbidden under the Draft Rules Regarding Overseas Listing if (1) there exists any circumstance where going public is strictly prohibited as prescribed by specific laws and regulations; (2) the overseas securities offerings and listings constitute a threat or endangerment to national security; (3) there exist material ownership disputes; (4) any of the PRC domestic enterprises, their controlling shareholder or actual controller is involved in certain criminal offense; or (5) any of the directors, supervisors and senior management of the issuer is involved in certain criminal offense or administrative penalties, among other circumstances identified by the State Council.

If domestic enterprises fail to fulfill the above-mentioned filing procedures or offer and list in an overseas market against the prohibited circumstances, they would be warned and fined up to RMB10 million and even be ordered to suspend relevant business or halt operation for rectification, revoke relevant business permits or operational license in severe cases. If, during the filing process, the domestic enterprises conceal important factors or the content is materially false, and securities are not issued, they are subject to a fine of RMB1 million to RMB10 million. If the securities have been issued, the domestic enterprise is subject to a fine of 10% to 100% of the listing proceeds. With respect to the controlling shareholder, actual controllers, directors, supervisors, and senior management, they are subject to a warning and fines between RMB500,000 to RMB5 million, individually or collectively.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Peng Li	40	Chairman of the board and chief executive officer
Jinshan Li	40	Director and chief technology officer
Frank Lin	58	Director
Yu Cui*	34	Director
Dong Xie	42	Director and chief financial officer
Xihao Liu	39	Director and vice president
Pei Hua (Helen) Wong**	51	Independent Director Appointee
Hongqiang Zhao**	46	Independent Director Appointee
Chun Wang	32	Vice president
Guangfei Zhao	39	Vice president
Bo Bai	41	Vice president

* Yu Cui will resign from our board upon the SEC's declaration of the effectiveness of our registered statement on Form-1 of which this prospectus is a part.

** Each of Pei Hua (Helen) Wong and Hongqiang Zhao has accepted appointments to be our independent director, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1 of which this prospectus is a part.

Peng Li is our founder and has served as the chairman of our board of directors and our chief executive officer since our inception. Prior to founding our company, Mr. Li had been the founder and served as the chief executive officer of Beijing Renjuren Network Technology Co., Ltd. from October 2013 to September 2015. Mr. Li was the co-founder and served as the vice president of Qianpin Online Network Technology (Beijing) Co., Ltd. from March 2011 to June 2013. Mr. Li served as the head of commercial operation center of Beijing UCWEB Internet Technology Co., Ltd. from March 2010 to February 2011. Prior to that, he was the strategic cooperation manager of Baidu.com, Inc. (Nasdaq: BIDU; HKEX:9888) from September 2005 to February 2010. From September 2004 to August 2005, Mr. Li served as the marketing manager of Beijing Jingyeda Technology Co., Ltd. (SZSE: 003005) in East China. Mr. Li received his bachelor's degree in computer science and technology from Hebei Agricultural University in June 2004.

Jinshan Li has served as our director since May 2022 and our chief technology officer since April 2018. Prior to joining us, Mr. Li had served as the chief technology officer of Ailv Network Technology Co., Ltd. from March 2016 to November 2016. From March 2014 to March 2016, Mr. Li served as the general manager of carpooling business of Beijing Five Car World Technology Co., Ltd. Prior to that, he worked at Renren Inc. (NYSE: RENN) from May 2011 to March 2014, serving as a senior manager and technology officer. Mr. Li served as the product manager at the advertising department of Youdao Inc. (NYSE: DAO) from July 2007 to May 2011. Mr. Li received his bachelor's degree in computer science and technology from Beijing Information Technology Institute in July 2004, and his master's degree in computer application from Institute of Computing Technology, Chinese Academy of Sciences in July 2007.

Frank Lin has served as our director since May 2022. Mr. Lin is a general partner of DCM, a technology venture capital firm and one of our principal shareholders. Prior to joining DCM in 2006, Mr. Lin had been the chief operating officer of SINA Corporation (Nasdaq: SINA). He co-founded SINA's predecessor, SinaNet, in 1995 and later helped guiding SINA through its listing on Nasdaq. Prior to founding SinaNet, Mr. Lin had been a consultant at Ernst & Young Management Consulting Group. Mr. Lin currently serves on the board of directors of numerous DCM portfolio companies, including GigaCloud Technology Inc (Nasdaq: GCT), Tuniu

Corporation (Nasdaq: TOUR), Vipshop Holdings Limited (NYSE: VIPS), China Online Education Group (NYSE: COE) and Kuaishou Technology (HKEX: 1024). Mr. Lin received his MBA degree from Stanford University in 1993 and his bachelor's degree in engineering from Dartmouth College in 1988.

Yu Cui has served as our director since May 2022. Since April 2018, he has served as the executive director of investment at VM EDU Fund, one of our shareholders. Before that, he had served as the investment director at China Peakedness from June 2017. From June 2015 to June 2017, he served as the business director at Beijing Tianxing Capital Co., Ltd. From June 2014 to June 2015, he served as an analyst at Dagong Global Credit Rating. Mr. Cui received a bachelor's degree in banking and finance from Bangor University in 2012 and a master's degree in banking and finance from Queen Mary University of London in 2013.

Dong Xie has served as our chief financial officer since January 2021 and as our director since June 2022. Prior to joining us, Mr. Xie had served as the partner of capital market services at PGadvisory from March 2020 to December 2020. From January 2019 to March 2020, Mr. Xie served as the chief financial officer at Renmai Technology Group. From September 2014 to December 2018, Mr. Xie served as the chief financial officer and company secretary of Finup Financial Technology Group (Holdings) Co., Ltd. From April 2010 to September 2010, Mr. Xie served as a vice president at CCB International (China) Co., Ltd. From November 2007 to March 2010, and from October 2010 to August 2014, Mr. Xie served as the associate director at the merger and acquisition transaction service department of Deloitte China. Mr. Xie is a Chinese Certified Public Accountant, Certified Internal Auditor, Certified Tax Agent and holds the China Legal Professional Qualification. He received his bachelor's degree in economics and master's degree in global economics from Nankai University in June 2003 and June 2006, respectively, and he started in September 2021 for the EMBA degree jointly offered by Guanghua School of Management of Peking University and Kellogg School of Management of Northwestern University. He has been acting as an independent director and chairman of the audit committee for China BlueChemical Ltd (HKEX:3983) since May 2021.

Xihao Liu has served as our vice president since April 2020 and as our director since September 2022. Prior to joining us, Ms. Liu had served as the vice president of operations of Beijing Qimeng Education Technology Co., Ltd. from November 2018 to December 2019. From June 2018 to September 2018, Ms. Liu served as the head of community operations at Beijing Guoganshidai Co., Ltd. Prior to that, she was a senior operations specialist of Hangzhou Beigou Technology Co., Ltd. from September 2015 to June 2018. From February 2011 to November 2015, Ms. Liu served several positions relating to product operations at Alibaba Group Holding Limited (NYSE: BABA; HKEX: 9988) and its related entities. Ms. Liu received her bachelor's degree in management from Shaanxi University of Science & Technology in July 2006, and her master's degree in economics from Xiamen University in July 2009.

Pei Hua (Helen) Wong is our independent director appointee. Ms. Wong is currently the Managing Partner of AC Ventures, an early-stage venture capital firm in Singapore. Before that, she had worked as a Partner in Qiming Ventures from 2014 to 2021, focusing on the TMT sector. Ms. Wong was a founding team member of GGV Capital. She was at GGV Capital from 2001 to 2011. She was ranked by Forbes as one of the top 100 venture capitalists in China in 2018, the top 25 Chinese women venture capitalists from 2017 to 2021, and iResearch as the top 26 Chinese consumer venture capitalists in 2021. Ms. Wong has more than 20 years of experience in the venture capital industry. Some of her successful unicorn exits include Mobike (acquired by Meituan (HKEX:3690), DeDao (audio platform) and Tudou (video sharing). She also led the investment in Akulaku, a fintech unicorn in Southeast Asia. Ms. Wong received her bachelor's and master's degrees in Politics, Philosophy and Economics from Oxford University. She also received an MBA from INSEAD in 1999, and an EMBA degree from Cheung Kong GSB in 2010.

Hongqiang Zhao is our independent director appointee. Since June 2018, Mr. Zhao has served as an executive director and chief financial officer of Bairong Inc. (HKEX: 6608). He has also served as an independent director of Li Auto, Inc. (Nasdaq: LI; HKEX: 2015) since July 2020, GOGOX Holdings Limited (HKEX: 2246) since June 2022, and HUYA Inc. (NYSE: HUYA) since May 2018, respectively. From October

2014 to October 2015, he served as the chief financial officer of NetEase Lede Technology Co., Ltd Beijing Branch. From December 2012 to December 2015, he served as a vice president of finance at SouFun Holdings Limited (now known as Fang Holdings Limited). He served as an assistant Chief Auditor at the Public Company Accounting Oversight Board in 2009. From August 2001 to February 2009, he worked at KPMG LLP in the United States, with the most recent position being manager audit. Mr. Zhao received a bachelor's degree in accounting from Tsinghua University in 1999 and a master's degree in accountancy from The George Washington University in 2001.

Chun Wang has served as our vice president since March 2020. Prior to joining us, Mr. Wang served as the vice president at the operations department of Xiaochuanchuhai Education Technology (Beijing) Co., Ltd. from August 2018 to November 2019. From August 2014 to August 2018, Mr. Wang served as a partner of Beijing Guogan Technology Co., Ltd., responsible for product, growth and content center and business innovations. Prior to that, he was a mobile product manager of Jumei International Holding Limited (NYSE: JMEI (delisted)) from January 2014 to August 2014. Mr. Wang served successively as product manager and marketing head of Wuxi Mmb.cn Information Technology Co., Ltd. from July 2010 to January 2014.

Guangfei Zhao has served as our vice president since March 2019. Prior to joining us, Mr. Zhao had been the co-founder and served as the vice president of Aiwei Zhizhu Network Technology (Beijing) Co., Ltd. from May 2018 to February 2019. From March 2017 to March 2018, Mr. Li served as the vice president of 369 Global (Beijing) Network Co., Ltd. Prior to that, he was the regional director of Beijing Xiaodu Information Technology Co., Ltd. from July 2014 to March 2017. From March 2011 to October 2012, Mr. Zhao served as the sales director of Beijing Wangluo Tianxia Life Technology Ltd. Prior to that, he was a business director of Yusys Technologies Co., Ltd. (SZSE: 300674) from August 2008 to February 2011. Mr. Zhao received his bachelor's degree in management from Shandong Technology and Business University in July 2008.

Bo Bai has served as our vice president since August 2020. Prior to joining us, Mr. Bai had served as a vice president and the chief public affairs officer of Finup Group Co., Ltd. from September 2016 to December 2019. From June 2014 to September 2016, Mr. Bai served as the deputy director of government affairs at Baidu.com, Inc. (Nasdaq: BIDU; HKEX:9888). Prior to that, he was the deputy director at the policy research department of Beijing Qihoo Technology Co., Ltd. (SHSE: 601360) from June 2012 to September 2013. From November 2008 to June 2012, Mr. Bai served as a senior manager at the policy development department of Tencent Holdings Ltd. (HKEX:0700). He served as a senior public relations manager at the business planning institute of Wanda Group from March 2008 to November 2008. Prior to that, he was the government project manager at president's office of CITIC Guoan Mengguli Co., Ltd. from July 2005 to December 2007. Mr. Bai received his bachelor's degree in process equipment and control engineering from Inner Mongolia University of Technology in July 2005, and his master's degree in civil and commercial law from Renmin University in July 2017.

The business address of our directors and executive officers is Room 710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, the PRC. No family relationship exists between any of our directors and executive officers.

Board of Directors

Our board of directors will consist of seven directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director is not required to hold any shares in our company to qualify to serve as a director. A director may vote with respect to any contract, proposed contract or arrangement notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of our directors at which any such contract or proposed contract or arrangement is considered, provided (1) such director, if his interest (whether direct or indirect) in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (2) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the

audit committee. Our directors may exercise all the powers of the company to borrow money, mortgage or charge its undertaking, property and uncalled capital, and issue debentures, debenture share and other securities whenever money is borrowed or as security for any debt, liability or obligation of the company or of any third party. None of our directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part, including an audit committee, a compensation committee and a nominating and corporate governance committee. We will adopt a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of Mr. Hongqiang Zhao and Ms. Pei Hua (Helen) Wong. Mr. Hongqiang Zhao will be the chairman of our audit committee. We have determined that each of Mr. Hongqiang Zhao and Ms. Pei Hua (Helen) Wong satisfies the "independence" requirements of the Rule 5605(c)(2) of the Nasdaq Stock Market Listing Rules and meets the independence standards under Rule 10A-3 under the Exchange Act. Our board of directors has also determined that Mr. Hongqiang Zhao qualifies as an "audit committee financial expert" within the meaning of the SEC rules and possesses financial sophistication within the meaning of the Nasdaq Stock Market Listing Rules.

The audit committee will oversee our accounting and financial reporting processes and the audits of our financial statements. The audit committee will be responsible for, among other things:

- selecting our independent registered public accounting firm and pre-approving all auditing and non-auditing services performed by our independent registered public accounting firm;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;
- reviewing and approving all proposed related-party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and our independent registered public accounting firm;
- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and our independent registered public accounting firms;
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance; and
- reporting regularly to the board of directors.

Compensation Committee. Our compensation committee will consist of Mr. Peng Li, Ms. Pei Hua (Helen) Wong and Mr. Hongqiang Zhao. Mr. Peng Li will be the chairman of our compensation committee. We have determined that each of Ms. Pei Hua (Helen) Wong and Mr. Hongqiang Zhao satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Listing Rules.

The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated.

- The compensation committee will be responsible for, among other things:
- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements, annual bonuses, employee pension and welfare benefit plans; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of Mr. Peng Li, Ms. Pei Hua (Helen) Wong and Mr. Hongqiang Zhao. Mr. Peng Li will be the chairman of our nominating and corporate governance committee. We have determined that each of Ms. Pei Hua (Helen) Wong and Mr. Hongqiang Zhao satisfies the "independence" requirements of Rule 5605(a)(2) of the Nasdaq Stock Market Listing Rules.

The nominating and corporate governance committee will assist the board of directors in selecting directors and in determining the composition of our board and board committees. The nominating and corporate governance committee will be responsible for, among other things:

- identifying and recommending nominees for election or re-election to our board of directors, or for appointment to fill any vacancy;
- reviewing annually with our board of directors its composition in light of the characteristics of independence, age, skills, experience and availability of service to us;
- selecting and recommending to the board the names of directors to serve as members of the audit committee and the compensation committee, as well as of the nominating and corporate governance committee itself;
- developing and reviewing the corporate governance principles adopted by the board and advising the board with respect to significant developments in the law and practice of corporate governance and our compliance with such laws and practices; and
- evaluating the performance and effectiveness of the board as a whole.

Terms of Directors and Officers

Our directors may be appointed by a resolution of our board of directors, or by an ordinary resolution of our shareholders, pursuant to the post-offering memorandum and articles of association of our company effective immediately prior to completion of this offering. An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between our company and the Director, if any; but no such term shall be implied in the absence of express provision. Unless expressly provided, our directors are not subject to a term of office and hold office until such time as they are removed from office by ordinary resolution of the shareholders. In addition, a director will cease to be a director if, among other things, the director (1) becomes bankrupt or makes any arrangement or composition with his creditors; (2) dies or is found by our company to be or becomes of unsound mind; (3) resigns his office by notice in writing to the company; (4) without special leave of absence from our board, is absent from three consecutive board meetings and our board of directors resolve that his office be vacated; (5) is prohibited by law from being a director; or (6) is removed from office pursuant to any other provision of our post-offering memorandum and articles of association. Our officers are elected by and serve at the discretion of the board of directors.

Duties of Directors

Under Cayman Islands law, our directors owe to us fiduciary duties, including a duty of loyalty, a duty to act honestly and a duty to act in what they consider in good faith to be in our best interests. Our directors must also exercise their powers only for a proper purpose. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than what may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association, as amended and restated from time to time. Our company may have the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain limited exceptional circumstances have the right to seek damages in our name if a duty owed by our directors is breached. See "Description of Share Capital — Differences in Corporate Law" for additional information on our standard of corporate governance under Cayman Islands law.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual general meetings and reporting its work to shareholders at such meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares of our company, including the registering of such shares in our share register.

Employment Agreements

We have entered into employment agreements with our executive officers. Each of our executive officers is employed for a specified time period, which will be automatically extended for successive one-year terms unless either party gives the other party a prior written notice to terminate employment. We may terminate the employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, including conviction or pleading of guilty to a felony, fraud, misappropriation or embezzlement, negligent or dishonest act to our detriment, misconduct or failure to perform his or her duty, disability, or death. An executive officer may terminate his or her employment at any time with a one-month prior written notice if there is a material and substantial reduction in such executive officer's existing authority and responsibilities or at any time if the termination is approved by our board of directors.

Each executive officer intends to agree to hold, both during and after the employment agreement expires or is earlier terminated, in strict confidence and not to use, except for our benefit, any confidential information. Each executive officer also intends to agree to assign to us all his or her all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and trade secrets.

Each executive officer intends to agree that, during his or her term of employment and for a period of one-year after terminating employment with us, such executive officer will not, without our prior written consent, (1) approach our suppliers, clients, customers or contacts or other persons or entities introduced to the executive officer in his or her capacity as a representative of us for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (2) assume employment with or

provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent; or (3) seek directly or indirectly, to solicit the services of, or hire or engage any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination, without our express consent.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we agree to indemnify our directors and executive officers against all liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company to the fullest extent permitted by law with certain limited exceptions.

Code of Ethics

We will adopt a code of ethics, which will be applicable to all of our directors, executive officers and employees prior to the effectiveness of our registration statement on Form F-1, of which this prospectus is a part. We will make our code of ethics publicly available on our website.

Compensation of Directors and Executive Officers

For the fiscal year ended June 30, 2022, the aggregate cash compensation to executive officers was approximately RMB9.0 million (US$1.3 million), and we did not pay any compensation to our directors who are not our executive officers during the same period. This amount consisted only of cash and did not include any share-based compensation or benefits in kind. Each of our directors and officers is entitled to reimbursement for all necessary and reasonable expenses properly incurred in the course of employment or service. We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors, except that our subsidiary and the affiliated entities are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund. Our board of directors may determine compensation to be paid to the directors and the executive officers. The compensation committee will assist the directors in reviewing and approving the compensation structure for the directors and the executive officers.

For information regarding share awards granted to our directors and officers, see "— Share Incentive Plans."

Share Incentive Plans

The 2018 Plan

In May 2022, our board of directors approved and adopted our 2018 share incentive plan (the "2018 Plan"). The 2018 Plan is intended to promote our success and shareholder value by attracting, motivating and retaining selected employees and other eligible participants through the awards.

The following paragraphs summarize the principal terms of the 2018 Plan.

Types of awards. The 2018 Plan permits the award of (1) options and share appreciation rights and (2) restricted or unrestricted shares.

Eligibility. The 2018 Plan provides for the grant of awards to, among others, officers or employees, directors or consultants of our company, or employees, directors or consultants of our related entities, such as a subsidiary corporation.

Administration. Subject to the terms of the 2018 Plan, the 2018 Plan will be administered by our board of directors, or one or more committees as appointed by our board of directors, comprising at least one member of the board of directors.

Award agreements. Awards granted under the 2018 Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the terms, provisions and restrictions of the award.

Vesting schedule and price. In general, the plan administrator determines the vesting schedule, which is specified in the relevant award agreement. The plan administrator will have sole discretion in approving and amending the terms and conditions of awards including, among others, exercise, base or purchase prices, the types, number and rights of shares granted, vesting and exercise schedules and acceleration provisions, as applicable, which are stated in the award agreement.

Compliance with law. An award may not be exercised nor may any shares be issued thereunder unless the exercise and issuance complies with all applicable laws.

Transferability. An award may not be transferred, except provided in the 2018 Plan, such as transfers by will or by laws of descent or distribution, or as provided in the relevant award agreement or otherwise determined by the plan administrator.

Changes to capitalization. In the event of share splits, combinations, exchanges and other specified changes in our capital structure not involving the receipt of consideration by us, the 2018 Plan provides for the proportional adjustment of the number and class of shares reserved under the 2018 Plan and the number, class and price of shares, if applicable, of all outstanding awards.

Change in control events. In the event of a change in control, the administrator may make provision for a cash payment in settlement of, or for the assumption, substitution or exchange of any or all outstanding awards. Each outstanding Award (whether or not vested and/or exercisable) shall terminate, subject to any provision that has been expressly made by the administrator for the survival, substitution, assumption, exchange or other continuation or settlement.

Amendment and termination. The 2018 Plan has a term of ten years commencing from the date of the board approval, unless terminated earlier in accordance with its terms. Our board of directors has the authority to terminate, amend or modify the 2018 Plan. However, no amendment, suspension or termination of the 2018 Plan may, without written consent of the participant, in any manner materially and adversely affect the participant's rights and benefits of such award granted to a participant prior to the relevant change.

The 2021 Plan

In May 2022, our board of directors approved and adopted our 2021 global share plan (the "2021 Plan"). The 2021 Plan is intended to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to selected eligible participants and promote our business success through the awards.

The following paragraphs summarize the principal terms of the 2021 Plan.

Types of awards. The 2021 Plan permits the award of options and share purchase rights.

Eligibility. The 2021 Plan provides for the grant of awards to, among others, officers or employees, directors or consultants of our company, or employees, directors or consultants of our related entities, such as a subsidiary corporation.

Administration. Subject to the terms of the 2021 Plan, the 2021 Plan will be administered by our board of directors, or one or more committees as appointed by our board of directors, comprising at least one member of the board of directors.

Terms and conditions of options. Options granted under the 2021 Plan are evidenced by an award agreement that sets forth terms and conditions for the options, such as the number of shares and types and term of options, exercise price and certain provisions applicable in the event that the grantee's employment or service terminates. In general, the plan administrator determines such terms and conditions in their sole discretion, which are stated in the award agreement.

Terms and conditions of share purchase rights. Share purchase rights granted under the 2021 Plan are evidenced by an award agreement that sets forth terms and conditions for the share purchase rights, such as the duration of offer of shares and the purchase price. In general, the plan administrator determines such terms and conditions in their sole discretion, which are stated in the award agreement.

Compliance with law. An award may not be exercised nor may any shares be issued thereunder unless the exercise and issuance complies with all applicable laws.

Transferability. An award may not be transferred, except provided in the 2021 Plan, such as transfers by will or by laws of descent or distribution, or as provided in the relevant award agreement or otherwise determined by the plan administrator.

Changes to capitalization. In the event of dividend or other distribution, recapitalization, share split reorganization and other specified changes in our corporate structure, the 2021 Plan provides for the adjustment of the number and class of shares that may be delivered under the 2021 Plan and/or the number, class, and price of shares covered by each outstanding award.

Change in control events. In the event of a change in control, each outstanding award, and, if applicable, each right of us to repurchase or redeem restricted shares acquired will be assumed or an equivalent award substituted by the successor corporation.

Amendment and termination. The 2021 Plan has a term of ten years commencing from the date of the board approval, unless terminated earlier in accordance with its terms. Our board of directors has the authority to terminate, amend or modify the 2021 Plan. However, without written agreement between the participant and the administrator, no amendment, alteration, suspension, or termination of the 2021 Plan shall materially and adversely impair the rights of any participant with respect to an outstanding award.

As of the date of this prospectus, there has been no options granted to our directors and executive officers under the 2018 Plan. The following table summarizes, as of the date of this prospectus, the number of ordinary shares under outstanding options that we granted to our directors and executive officers under the 2021 Plan:

Name	Ordinary Shares Underlying Options	Exercise Price (US$/Share)	Date of Grant	Date of Expiration
Peng Li	—	—	—	—
Jinshan Li	3,237,958	US$0.0005 – US$0.1	July 1, 2018 – October 1, 2022	June 30, 2028 – September 30, 2032
Frank Lin	—	—	—	—
Yu Cui	—	—	—	—
Dong Xie	2,060,000	US$0.1	April 1, 2021 – October 1, 2022	March 31, 2031 – September 30, 2032
Xihao Liu	*	US$0.1	July 1, 2020 – October 1, 2022	June 30, 2030 – September 30, 2032
Pei Hua (Helen) Wong	—	—	—	—
Hongqiang Zhao	—	—	—	—
Chun Wang	*	US$0.1	July 1, 2020 – October 1, 2022	June 30, 2030 – September 30, 2032
Guangfei Zhao	*	US$0.1	July 1, 2019 – October 1, 2022	June 30, 2029 – September 30, 2032
Bo Bai	*	US$0.1	April 1, 2021 – October 1, 2022	March 31, 2031 – September 30, 2032
All directors and executive officers as a group	12,097,958	N/A	N/A	N/A

* Less than 1% of our total outstanding ordinary share on an as-converted basis.

As of the date of this prospectus, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the 2018 Plan and the 2021 Plan is 21,717,118 shares, which will be re-classified and designated as Class A ordinary shares upon the completion of this offering. Effective upon the completion of this offering, an additional number of Class A ordinary shares equal to 10% of the total issued and outstanding ordinary shares immediately upon the completion of this offering (without taking into account of the number of shares issuable pursuant to exercise of the underwriters' option to purchase additional ADSs in this offering) will be reserved for the 2021 Plan. As of the date of this prospectus, options to purchase a total of 18,640,751 ordinary shares under the 2021 Plan have been granted and outstanding, and none of such options has been exercised. As of the date of this prospectus, there has been no options granted under the 2018 Plan. As of the date of this prospectus, grantees other than our directors and executive officers above, as a group, held options to purchase an aggregate of 6,542,793 shares, with exercise prices ranging from US$0.0005 per share to US$0.8 per share.

For discussions of our accounting policies and estimates for awards granted pursuant to the 2018 Plan and the 2021 Plan, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Share Restriction Agreement

In May 2022, entities respectively controlled by our founder Mr. Peng Li entered into share restriction agreements with us, pursuant to which 54,042,638 pre-offering Class B ordinary shares and 600,000 pre-offering Class A ordinary shares beneficially owned by Mr. Peng Li became restricted shares, subject to certain repurchase and transfer restrictions. 75% of the restricted shares have been vested and released from the repurchase and transfer restrictions as of April 26, 2020, and the remaining 25% of the restricted shares were to be vested annually in equal installments over the two years starting from August 13, 2020. All the unvested restricted shares will be vested immediately and released from all the restrictions upon the completion of this offering.

PRINCIPAL SHAREHOLDERS

The following table sets forth information concerning the beneficial ownership of our ordinary shares, as of the date of this prospectus on an as-converted basis and as adjusted for this offering, by:

- each of our directors and executive officers; and
- each person known to us to own beneficially 5% or more of our ordinary shares.

The calculations in the table below are based on (1) 105,627,220 pre-offering Class A ordinary shares and 49,859,049 pre-offering Class B ordinary shares issued and outstanding, as of the date of this prospectus, and (2) Class A ordinary shares and Class B ordinary shares issued and outstanding immediately after the completion of this offering, including Class A ordinary shares to be sold by us in this offering in the form of ADSs, assuming the underwriters do not exercise their option to purchase additional ADSs. Each holder of Class A ordinary shares is entitled to one vote per share and each holder of our Class B ordinary shares is entitled to ten votes per share on all matters submitted to them for a vote.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

	Ordinary shares beneficially owned prior to this offering				Ordinary shares beneficially owned immediately after this offering			
	Pre-offering Class A ordinary shares[#]	Pre-offering Class B ordinary shares	% of beneficial ownership[†]	% of aggregate voting power[††]	Class A ordinary shares	Class B ordinary shares	% of beneficial ownership[†]	% of aggregate voting power[††]
Directors and Executive Officers*								
Peng Li[(1)]	—	49,859,049	32.1	82.5				
Jinshan Li	—	—	—	—				
Frank Lin[(3)]	27,400,617	—	17.6	4.5				
Yu Cui	—	—	—	—				
Dong Xie	—	—	—	—				
Xihao Liu	—	—	—	—				
Pei Hua (Helen) Wong	—	—	—	—				
Hongqiang Zhao	—	—	—	—				
Chun Wang	—	—	—	—				
Guangfei Zhao	—	—	—	—				
Bo Bai	—	—	—	—				
Directors and executive officers as a group	27,400,617	49,859,049	49.7	87.1				
Principal Shareholders:								
Even Par Holding Limited[(1)]	—	49,859,049	32.1	82.5				
K2 Entities[(2)]	24,194,263	—	15.6	4.0				
DCM Entities[(3)]	27,400,617	—	17.6	4.5				
GGV Entities[(4)]	11,910,487	—	7.7	2.0				
PAC Entities[(5)]	12,529,532	—	8.1	2.1				
Qiming Entities[(6)]	12,529,532	—	8.1	2.1				
VM EDU Fund I, L.P[(7)].	8,860,169	—	5.7	1.5				

* Except as indicated otherwise below, the business address of our directors and executive officers is Room 710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.

\# All of the preferred shares held by shareholders of the Company will be re-classified and redesignated as Class A ordinary shares on a one-on-one basis immediately prior to the completion of this offering.

† For each person and group included in this column, percentage ownership is calculated by dividing the number of shares beneficially owned by such person or group by the sum of the total number of shares outstanding and the number of shares such person or group has the right to acquire upon exercise of option, warrant or other right within 60 days after the date of this prospectus.

†† For each person or group included in this column, percentage of total voting power represents voting power based on both Class A and Class B ordinary shares held by such person or group with respect to all outstanding shares of our Class A and Class B ordinary shares as a single class. As of the date of this prospectus, holder of each of our pre-offering Class A ordinary shares is entitled to one vote per share and holder of each of our pre-offering Class B ordinary shares is entitled to ten votes. Immediately after this offering, holder of each of our Class A ordinary shares is entitled to one vote per share. Holder of each of our Class B ordinary shares is entitled to ten votes per share. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

(1) Represents 49,859,049 Class B ordinary shares held by Even Par Holding Limited, a company incorporated in the British Virgin Islands. Even Par Holding Limited is controlled by NICE PAR TRUST, a trust established under a trust deed between Mr. Peng Li as settlor and Vistra Trust (Singapore) Pte. Limited as trustee. Mr. Peng Li is the settlor and the sole beneficiary of NICE PAR TRUST. Under the terms of the trust deed of this trust, Mr. Peng Li has the power to direct the trustee with respect to the retention or disposal of, and the exercise of any voting and other rights attached to, the shares held by Even Par Holdings Limited in QuantaSing Group Limited. Mr. Peng Li is the sole director of Even Par Holdings Limited. The registered address of Even Par Holdings Limited is at the offices of Sertus Chambers, P.O. Box 905, Quastisky Building, Road Town, Tortola, British Virgin Islands. All the pre-offering Class B ordinary shares held by Even Par Holdings Limited will be automatically converted to Class B ordinary shares on a one-on-one basis immediately prior to the completion of this offering.

(2) Represents (i) 3,300,000 Series A preferred shares held by K2 EVERGREEN PARTNERS LIMITED, a company incorporated in Hong Kong, which is wholly-owned by K2 Evergreen Partners L.P., the general partner of which is K2 Evergreen Partners LLC; (ii) 4,675,000 Series A preferred shares, 416,668 Series B preferred shares and 131,898 Series C preferred shares held by K2 FAMILY PARTNERS LIMITED, a company incorporated in Hong Kong, which is wholly-owned by K2 Family Partners L.P. The general partner of K2 Family Partners L.P. is K2 Family Partners GP, L.P., the general partner of which is K2 Family Partners GP, LLC; and (iii) 14,025,000 Series A preferred shares, 1,250,003 Series B preferred shares and 395,694 Series C preferred shares held by K2 PARTNERS III LIMITED, a company incorporated in Hong Kong, which is wholly-owned by K2 Partners III L.P. The general partner of K2 Partners III L.P. is K2 Partners III GP, L.P., the general partner of which is K2 Partners III GP, LLC. KPartners Limited holds (i) 80% equity and voting power of K2 Evergreen Partners LLC; (ii) 51% equity and voting power of K2 Family Partners GP, LLC; and (iii) 51% equity and voting power of K2 Partners III GP, LLC. The registered address of the K2 entities is Room C, 20/F, Lucky Plaza, 315-321 Lockhart Road, Wanchai, Hong Kong.

(3) Represents (i) 20,153,473 Series B preferred shares and 4,590,654 Series C preferred shares held by DCM Ventures China Fund (DCM VIII), L.P., an exempted limited partnership organized under the laws of the Cayman Islands; (ii) 1,667,089 Series B preferred share and 379,737 Series C preferred shares held by DCM VIII, L.P., an exempted limited partnership organized under the laws of the Cayman Islands; and (iii) 496,556 Series B preferred shares and 113,108 Series C preferred shares held by DCM Affiliates Fund VIII, L.P., an exempted limited partnership organized under the laws of the Cayman Islands. The general partner of each of these DCM entities is DCM Investment Management VIII, L.P., the general partner of which is DCM International VIII, Ltd., which is ultimately controlled by Matthew C. Bonner and Frank Lin,

a director of our company, and each may be deemed to share voting and dispositive power over the shares held by the DCM entities. Each of the foregoing persons disclaims beneficial ownership of shares held by the DCM entities, except to the extent of any pecuniary interest therein. The registered address of the DCM entities is 2420 Sand Hill Road, Suite 200, Menlo Park, CA 94025.

(4) Represents (i) 6,322,377 Series B-1 preferred shares, 3,893,097 Series C preferred shares, 793,126 Series D preferred shares and 409,719 Series E preferred shares held by GGV Discovery I, L.P., an exempted limited partnership organized under the laws of the Cayman Islands, which is ultimately controlled by six individuals, including Jixun Foo, Jenny Hongwei Lee, Jeffrey Gordon Richards, Glenn Brian Solomon, Hans Tung and Bingdong Xu, who have the shared voting and investment control over the shares held by such entity; and (ii) 272,516 Series B-1 preferred shares, 167,806 Series C preferred shares, 34,186 Series D preferred shares and 17,660 Series E preferred shares held by GGV Capital VI Entrepreneurs Fund L.P., an exempted limited partnership organized under the laws of the Cayman Islands, which is ultimately controlled by five individuals, including Jixun Foo, Jenny Hongwei Lee, Jeffrey Gordon Richards, Glenn Brian Solomon and Hans Tung, who have the shared voting and investment control over the shares held by such entity. The business address of all the GGV entities is 3000 Sand Hill Road, Building 4, Suite 230, Menlo Park, CA 94025.

(5) Represents (i) 1,318,979 Series B-1 preferred shares held by Prospect Avenue Capital Inc., an exempted company incorporated in the Cayman Islands; (ii) 10,164,129 Series D preferred shares held by Prospect Avenue Capital Limited Partnership, an exempted limited partnership organized under the laws of the Cayman Islands; and (iii) 1,046,424 Series E preferred shares held by Foley Square Investment Limited., a company incorporated in Hong Kong. Each of Prospect Avenue Capital Inc., Prospect Avenue Capital Limited Partnership and Foley Square Investment Limited (collectively, “PAC entities”) is ultimately controlled by Ming Liao. The business address of all the PAC entities is Room No. 2524-2525, 25/F, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong.

(6) Represents (i) 10,376,581 Series C preferred shares, 805,635 Series D preferred shares and 1,019,005 Series E preferred shares held by Qiming Venture Partners VI, L.P., an exempted limited partnership organized under the laws of the Cayman Islands; and (ii) 279,214 Series C preferred shares, 21,678 Series D preferred shares and 27,419 Series E preferred shares held by Qiming Managing Directors Fund VI, L.P., an exempted limited partnership organized under the laws of the Cayman Islands. The general partner of Qiming Venture Partners VI, L.P. is Qiming GP VI, L.P., a Cayman Islands exempted limited partnership, whose general partner is Qiming Corporate GP VI, Ltd., a Cayman Islands limited company. Qiming Corporate GP VI, Ltd. is also the general partner of Qiming Managing Directors Fund VI, L.P. The voting and investment power of the shares held by Qiming Venture Partners VI, L.P. and Qiming Managing Directors Fund VI, L.P. in the company is exercised by Qiming Corporate GP VI, Ltd., which is beneficially owned by Duane Kuang, Gary Rieschel, Nisa Leung and Robert Headley. Duane Kuang, Gary Rieschel, Nisa Leung and Robert Headley disclaim beneficial ownership of such shares, except to the extent of any pecuniary interest therein. The registered address of Qiming entities is P.O. Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.

(7) Represents 8,860,169 Series E preferred shares held by VM EDU Fund I, L.P., an exempted limited partnership organized under the laws of the Cayman Islands. The general partner of VM EDU Fund I, L.P. is VM EDU Fund GP, LLC. The registered address of VM EDU Fund I, L.P. is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

As of the date of this prospectus, a total of ordinary shares of our company on an as-converted basis are held by record holders in the United States. Immediately after the completion of this offering, we expect that , the depositary of the ADS program, will hold Class A ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. The number of beneficial owners of the ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States.

We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Historical Changes in Our Shareholding

See “Description of Share Capital — History of Securities Issuances” for historical changes in our shareholding.

RELATED PARTY TRANSACTIONS

Contractual Arrangements with the VIE and Its Shareholder

See “Corporate History and Structure.”

Transaction with Certain Related Parties

In the fiscal years ended June 30, 2021 and 2022 and the three months ended September 30, 2021 and 2022, we entered into certain related party transactions as set forth below.

Marketing services to Beijing Baichuan. We provide marketing services to Beijing Baichuan Insurance Brokerage Limited to facilitate its customer acquisition efforts. Beijing Baichuan paid to us service fees based on the volume of customers acquired through our platforms. Beijing Baichuan is the subsidiary of Beijing ChangYou Star Network Technology Co., Ltd., which has been disposed of to an affiliate of our company under the common control of the shareholders of our company in May 2022. Since then, the transactions between Beijing Baichuan and us constitute related party transactions. For the fiscal year ended June 30, 2022 and the three months ended September 30, 2022, we recorded a total of RMB44.7 million (US$6.3 million) and RMB30.3 million (US$4.3 million) services fees from Beijing Baichuan as revenue. As of September 30, 2022, the amount due from Beijing Baichuan in relation to such service fee was RMB24.9 million (US$3.5 million). We expect to continue to provide marketing services to Beijing Baichuan, which has been and will be based on normal terms and conditions and fair and reasonable.

Restructuring related transactions. We have restructured and spun-off our business for this initial public offering. See “Corporate History and Structure” for more information. The proceeds due to EW Technology Limited in connection with this restructuring were fully settled in May 2022 upon the completion of this restructuring.

Private Placements

See “Description of Share Capital — History of Securities Issuances.”

Shareholders Agreement

See “Description of Share Capital — Shareholders Agreement.”

Share Incentive Plans

See “Management — Share Incentive Plans.”

Employment Agreements and Indemnification Agreements

See “Management — Employment Agreements” and “Management — Indemnification Agreements.”

DESCRIPTION OF SHARE CAPITAL

General

We are a Cayman Islands exempted company incorporated with limited liability, and our affairs are governed by our memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands, which we refer to as the Companies Act below, and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital is US$70,000 consisting of 700,000,000 shares, divided into: (1) 545,113,731 pre-offering Class A ordinary shares, (2) 54,042,638 pre-offering Class B ordinary shares, (3) 22,000,000 Series A preferred shares, (4) 23,983,789 Series B preferred shares, (5) 7,913,872 Series B-1 preferred shares, (6) 20,327,789 Series C preferred shares, (7) 11,818,754 Series D preferred shares, and (8) 14,799,427 Series E preferred shares. As of the date of this prospectus, (1) 4,783,589 pre-offering Class A ordinary shares, (2) 49,859,049 pre-offering Class B ordinary shares, (3) 22,000,000 Series A preferred shares, (4) 23,983,789 Series B preferred shares, (5) 7,913,872 Series B-1 preferred shares, (6) 20,327,789 Series C preferred shares, (7) 11,818,754 Series D preferred shares, and (8) 14,799,427 Series E preferred shares are issued and outstanding. All of our issued and outstanding ordinary and preferred shares are fully paid.

Immediately prior to the completion of this offering, our authorized share capital will be changed into US$70,000 consisting of 700,000,000 shares, divided into: (1) 430,000,000 Class A ordinary shares of a par value of US$0.0001 each, (2) 70,000,000 Class B ordinary shares of a par value of US$0.0001 each, and (3) 200,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with our post-offering memorandum and articles of association. Immediately prior to the completion of this offering, all of our issued and outstanding preferred shares and ordinary shares will be converted into, and re-designated and re-classified, as Class A ordinary shares on a one-for-one basis, except that shares beneficially owned by Mr. Peng Li will be re-designated and re-classified as Class B ordinary shares on a one-for-one basis. Following such conversion and re-designation, we will have Class A ordinary shares issued and outstanding and Class B ordinary shares issued and outstanding, assuming the underwriters do not exercise their option to purchase additional ADSs.

Our Post-Offering Memorandum and Articles of Association

Our shareholders have conditionally adopted the second amended and restated memorandum and articles of association, which we refer to below as our post-offering memorandum and articles of association and which will become effective and replace our current memorandum and articles of association in its entirety immediately prior to the completion of this offering. The following are summaries of material provisions of the post-offering memorandum and articles of association and of the Companies Act, insofar as they relate to the material terms of our ordinary shares.

Objects of our company. Under our post-offering memorandum and articles of association, the objects of our company are unrestricted and we have the full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

Ordinary shares. Our ordinary shares are issued in registered form. We may not issue shares to bearer. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their shares. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Each Class A ordinary share shall entitle the holder thereof to one vote on all matters subject to vote at our general meetings, and each Class B ordinary share shall entitle the holder thereof to ten votes on all matters subject to vote at our general meetings. Our ordinary shares are issued in registered form and are issued when registered in our register of members.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

Any number of Class B ordinary shares held by a holder thereof will be automatically and immediately converted into an equal number of Class A ordinary shares upon the occurrence of (1) any sale, transfer, assignment or disposition of any Class B ordinary shares by the holder thereof to any person that is not Mr. Peng Li or his controlled entity, or (2) upon a change of ultimate beneficial ownership of any Class B ordinary share to any person that is not Mr. Peng Li or his controlled entity. In addition, all outstanding Class B ordinary shares will automatically convert into Class A ordinary shares upon the first to occur of: (1) the death or incapacity of Mr. Peng Li; (2) the date that Mr. Peng Li is no longer employed as our chief executive officer for cause; (3) if Mr. Peng Li was not employed as our chief executive officer for at least five years following the consummation of this offering, the date when he is no longer employed as our chief executive officer; and (4) if Mr. Peng Li was employed as our chief executive officer for at least five years following the consummation of this offering, the earlier of: (a) the date Mr. Peng Li ceases to be employed as our chief executive officer and ceases to be a member of our board of directors; and (b) if Mr. Peng Li continues to be a member of our board of directors, the second anniversary after Mr. Peng Li ceases to be employed as our chief executive officer without regard to whether he is a member of our board of directors on such second anniversary.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors or declared by our shareholders by ordinary resolution (provided that no dividend may be declared by our shareholders which exceeds the amount recommended by our directors). Our post-offering memorandum and articles of association provide that dividends may be declared and paid out of our lawfully available funds. Under the laws of the Cayman Islands, our company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business.

Voting rights. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairperson of such meeting or any one shareholder present in person or by proxy. With respect to all matters subject to a shareholders' vote, each Class A ordinary share is entitled to one vote, and each Class B ordinary share is entitled to ten votes, voting together as one class on all matters submitted to a vote by our shareholders at any general meeting.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes cast attaching to the outstanding and issued ordinary shares cast at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering memorandum and articles of association. Our shareholders may, among other things, divide or combine their shares by ordinary resolution.

General meetings of shareholders. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our post-offering memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' general meetings may be convened by the chairperson of our board of directors or a majority of our board of directors (acting by a resolution of our board of directors). Advance notice of at least seven calendar days is required for the convening of our annual general shareholders' meeting (if any) and any other general meeting of our shareholders. A quorum required for any general meeting of shareholders consists of one or more shareholder present in person or by proxy, representing not less than one-third of all votes attaching to our issued and outstanding shares entitled to attend and vote at the general meeting.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of

association provide that upon the requisition of any one or more of our shareholders who together hold shares which carry in aggregate not less than 10% of all votes attaching to the issued and outstanding shares of our company entitled to attend and vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, our post-offering memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Transfer of ordinary shares. Subject to the restrictions set out in our post-offering memorandum and articles of association as set out below, any of our shareholders may transfer all or any of her or his ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which we have a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four; and
- a fee of such maximum sum as the Nasdaq Stock Market may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the Nasdaq Stock Market, be suspended and the register closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year as our board may determine.

Liquidation. On the winding up of our company, if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders in proportion to the par value of the shares held by them.

Calls on shares and forfeiture of shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, repurchase and surrender of shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner as may be determined by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares on such terms and in such manner as have been approved by our board of

directors or by an ordinary resolution of our shareholders. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a new issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares issued and outstanding or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of rights of shares. If at any time, our share capital is divided into different classes of shares, the rights attached to any class may be materially adversely varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Issuance of additional shares. Our post-offering memorandum and articles of association authorize our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent out of available authorized but unissued ordinary shares.

Our post-offering memorandum and articles of association also authorize our board of directors to establish from time to time one or more series of preferred shares and to determine, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our board of directors may issue preferred shares without action by our shareholders to the extent out of authorized but unissued preferred shares. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Inspection of books and records. Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (save for our register of mortgages and charges, our memorandum and articles of association and special resolutions of our shareholders). However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find Additional Information."

Anti-takeover provisions. Some provisions of our post-offering memorandum and articles of association may discourage, delay or prevent a change of control of our company or management that shareholders may consider favorable, including provisions that:

- authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders; and
- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our post-offering memorandum and articles of association for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Exempted company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent English statutory enactments and, accordingly, there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to U.S. corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements. The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (i) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (ii) a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the surviving or consolidated company, a declaration as to the assets and liabilities of each constituent company, and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise. For this purpose, a company is a "parent" of a subsidiary if it holds issued shares that together represent at least 90% of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation; provided that the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement; provided that the arrangement is approved by (a) 75% in value of shareholders or class of shareholders, as the case may be, or (b) a majority in number of the creditors or each class of creditors, as the case may be, with whom the arrangement is to be made, that are, in each case, present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the “squeeze out” of dissentient minority shareholders upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction by way of scheme of arrangement is thus approved and sanctioned, or if a tender offer is made and accepted in accordance with the foregoing statutory procedures, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders’ suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in Foss v. Harbottle and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;

- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of directors and executive officers and limitation of liability. Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our post-offering memorandum and articles of association provide that we shall indemnify our directors and officers, against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person's dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' fiduciary duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he owes the following duties to the company — a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved toward an objective

standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder action by written consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our post-offering memorandum and articles of association provide that our shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders; provided that it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Companies Act provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our post-offering memorandum and articles of association allow any one or more of our shareholders holding shares which carry in aggregate not less than one-third of the total number votes attaching to all issued and outstanding shares of our company as of the date of the deposit that are entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual general meetings or extraordinary general meetings. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings.

Cumulative voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the laws of the Cayman Islands, but our post-offering memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the issued and outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering memorandum and articles of association, directors may be removed by an ordinary resolution of our shareholders. An appointment of a director may be on terms that the director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the company and the director, if any; but no such term shall be implied in the absence of express provision. In addition, a director will also cease to be a director if he (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) dies or is found to be or becomes of unsound mind; (iii) resigns his office by notice in writing; (iv) without special leave of absence from our board, is absent from meetings of our board for three consecutive meetings and our board resolves that his office be vacated; or (v) is removed from office pursuant to any other provision of our articles of association.

Transactions with interested shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected

not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting shares within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of our company are required to comply with fiduciary duties which they owe to our company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of the company and not with the effect of constituting a fraud on the minority shareholders.

Restructuring. A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

(a) is or is likely to become unable to pay its debts; and

(b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

Dissolution; winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by either an order of the courts of the Cayman Islands or by the board of directors.

Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of rights of shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under our post-offering memorandum and articles of association,

if our share capital is divided into more than one class of shares, the rights attached to any such class may only be materially adversely varied with the consent in writing of the holders of two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the shares of that class, be deemed to be materially adversely varied by the creation, allotment or issue of further shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any shares of any class by our company. The rights of the holders of shares shall not be deemed to be materially adversely varied by the creation or issue of shares with preferred or other rights including, without limitation, the creation of shares with enhanced or weighted voting rights.

Amendment of governing documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under the Companies Act and our post-offering memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of non-resident or foreign shareholders. There are no limitations imposed by our post-offering memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering memorandum and articles of association that require our company to disclose shareholder ownership above any particular ownership threshold.

History of Securities Issuances

The following is a summary of our securities issuances and re-designations during the past three years.

Ordinary shares and preferred shares

On February 9, 2022, our authorized share capital of US$50,000 was divided into 500,000,000 shares of a nominal or par value of US$0.0001 each. On the same date, we issued one ordinary share to Sertus Nominees (Cayman) Limited at nominal consideration for incorporation purpose, which transferred the same amount of share to WITTY TIME LIMITED on the same date at nominal consideration.

On May 31, 2022, our authorized share capital of US$50,000 consisting of 500,000,000 shares of a nominal or par value of US$0.0001 each, is re-classified and re-designated into: (1) 345,113,731 pre-offering Class A ordinary shares of a nominal or par value of US$0.0001 each, (2) 54,042,638 pre-offering Class B ordinary shares of a nominal or par value of US$0.0001 each, (3) 22,000,000 convertible redeemable series A preferred shares of a nominal or par value of US$0.0001 each, (4) 23,983,789 convertible redeemable series B preferred shares of a nominal or par value of US$0.0001 each, (5) 7,913,872 convertible redeemable series B-1 preferred shares of a nominal or par value of US$0.0001 each, (6) 20,327,789 convertible redeemable series C preferred shares of a nominal or par value of US$0.0001 each, (7) 11,818,754 convertible redeemable series D preferred shares of a nominal or par value of US$0.0001 each, and (8) 14,799,427 convertible redeemable series E preferred shares of a nominal or par value of US$0.0001 each. Each pre-offering Class A ordinary share is entitled to one vote and each pre-offering Class B ordinary share is entitled to ten votes.

On May 31, 2022, we issued 600,000 pre-offering Class A ordinary shares and 52,042,638 pre-offering Class B ordinary shares to WITTY TIME LIMITED at the nominal value for the restructuring and spin-off. On the same date, we issued 22,000,000 series A preferred shares, 23,983,789 series B preferred shares, 7,913,872 series B-1 preferred shares, 20,327,789 series C preferred shares, 11,818,754 series D preferred shares, and 14,799,427 series E preferred shares to our pre-IPO investors respectively at the nominal value for the restructuring and spinoff. See "Corporate History and Structure."

On June 1, 2022, we re-designated 4,783,589 pre-offering Class B ordinary shares as the same number of pre-offering Class A ordinary shares.

On November 30, 2022, WITTY TIME LIMITED transferred all the Class B ordinary shares held by it to Even Par Holding Limited at nil consideration in connection with the establishment of a trust for and on behalf of Mr. Peng Li. See "Principal Shareholders" for details.

Options or restricted shares

See "Management — Share Incentive Plans" and "Management — Share Restriction Agreement."

Shareholders Agreement

We entered into a shareholders agreement (as amended) with our shareholders on December 20, 2022. The shareholders agreements provide for certain shareholders' rights, including information and inspection rights, preemptive rights, right of first refusal and co-sale rights, director nomination rights and provisions governing corporate governance matters. The special rights as well as the corporate governance provisions will automatically terminate upon the completion of this offering, except for the registration rights as set forth below.

Registration rights

We have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the shareholders agreement.

Demand registration rights. At any time after the earlier of (1) the fourth anniversary of May 31, 2022, or (2) six months following the taking effect of a registration statement for a qualified initial public offering, if holders of at least 25% of the registrable securities then outstanding demand in writing that we file a registration statement under the Securities Act covering the registration of at least 20% (or any lesser percentage if the anticipated gross proceeds to our company from such proposed offering would exceed US$5,000,000) of the registrable securities then outstanding, we shall warrant such request, subject to certain terms and conditions. We have the right to defer filing of a registration statement for a period of not more than 90 days after the receipt of the request of the initiating holders if we furnish to the holders requesting registration a certificate signed by our chief executive officer stating that in the good faith judgment of our board of directors, it would be materially detrimental to us and our shareholders for such registration statement to be filed at such time. However, we cannot exercise the deferral right more than once in any 12 month period and shall not register any other of our shares during such period. We are obligated to effect no more than two demand registrations, other than demand registration to be effected pursuant to registration statement on Form F-3, for which an unlimited number of demand registrations shall be permitted.

Piggyback registration rights. If we propose to register for our own account any of our equity securities, in connection with the public offering of such equity securities, we should promptly give holders of our registrable securities written notice of such registration and, upon the written request of any holder given within twenty (20) days after delivery of such notice, we should use our reasonable best efforts to include in such registration the registrable securities requested to be registered by such holder. If the managing underwriters of any underwritten offering determine in good faith that marketing factors require a limitation of the number of shares to be underwritten, and the number of shares that may be included in the registration statement and the underwriting shall be allocated (1) first, to our company, (2) second, to each holder requesting inclusion of its registrable securities in such registration statement on a pro rata basis based on the total number of registrable securities then held by each such holder, (3) third, to holders of other securities of our company.

Form F-3 registration rights. Our shareholders may request us in writing to file an unlimited number of registration statements on Form F-3. We shall effect the registration of the securities on Form F-3 as soon as practicable, except in certain circumstances, including, but not limited to, the aggregate value of the registrable securities and such other securities for sale shall not be less than US$500,000. We have the right to defer filing of a registration statement for a period of not more than 60 days after the receipt of the request of the initiating holders. However, we cannot exercise the deferral right more than once in any 12 month period and shall not register any other of our shares during such period.

Expenses of registration. We shall bear all registration expenses (other than underwriting discounts and commissions, and fees for special counsel of the holders participating in such registration) incurred in connection with any demand, piggyback or Form F-3 registration. However, we will not be required to pay for any expenses in excess of US$25,000 of any special audit required in connection with a demand registration.

Termination of registration rights. Our shareholders' registration rights will terminate upon the earlier of (1) the fifth anniversary of the completion of this offering, and (2) as to any shareholder when the shares subject to registration rights held by such shareholder can be sold without registration in any 90-day period pursuant to Rule 144 promulgated under the Securities Act.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Citibank, N.A. has agreed to act as the depositary for the American Depositary Shares. The depositary offices are located at 388 Greenwich Street, New York, New York, 10013. American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank, N.A. - Hong Kong, located at 9/F Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong.

We have appointed Citibank as depositary pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333- when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in , Class A ordinary share(s) that are on deposit with the depositary and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. We and the depositary may agree to change the ADS-to-Class A ordinary share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. The custodian, the depositary and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of the ADSs. The depositary, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary, and the depositary (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as an owner of ADSs and those of the depositary. As an ADS holder you appoint the depositary to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of Class A ordinary shares will continue to be governed by the laws of the Cayman Islands, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary will hold on your behalf the shareholder rights attached to the Class A ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the Class A ordinary shares represented by your ADSs through the depositary only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancelation of your ADSs and become a direct shareholder.

The manner in which you own the ADSs (e.g., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect your rights and obligations, and the manner in which, and extent to which, the depositary's services are made available to you. As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary in your name reflecting the registration of uncertificated ADSs directly on the books of the depositary (commonly referred to as the "direct registration system" or "DRS"). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary to the holders of the ADSs. The direct registration system includes automated transfers between the depositary and The Depository Trust Company ("DTC"), the central book-entry clearing and settlement system for equity securities in the United States. If you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the Class A ordinary shares in the name of the depositary or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary or the custodian the record ownership in the applicable Class A ordinary shares with the beneficial ownership rights and interests in such Class A ordinary shares being at all times vested with the beneficial owners of the ADSs representing the Class A ordinary shares. The depositary or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction of the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary will arrange for the funds received in a currency other than U.S. dollars to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the laws and regulations of the Cayman Islands.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Class A Ordinary Shares

Whenever we make a free distribution of Class A ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of Class A ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary will either distribute to holders new ADSs representing the Class A ordinary shares deposited or modify the ADS-to-Class A ordinary shares ratio, in which case each ADS you hold will represent rights and interests in the additional Class A ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-Class A ordinary shares ratio upon a distribution of Class A ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary may sell all or a portion of the new Class A ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (e.g., the U.S. securities laws) or if it is not operationally practicable. If the depositary does not distribute new ADSs as described above, it may sell the Class A ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to subscribe for additional Class A ordinary shares, we will give prior notice to the depositary and we will assist the depositary in determining whether it is lawful and reasonably practicable to distribute rights to subscribe for additional ADSs to holders.

The depositary will establish procedures to distribute rights to subscribe for additional ADSs to holders and to enable such holders to exercise such rights if we request such rights be made available to holders of ADSs, it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to subscribe for new Class A ordinary shares other than in the form of ADSs.

The depositary will not distribute the rights to you if:

- We do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- We fail to deliver satisfactory documents to the depositary;
- The depositary determines that all or a portion of the distribution to you in not reasonably practicable; or
- It is not reasonably practicable to distribute the rights.

The depositary will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary in determining whether such distribution is lawful and reasonably practicable.

The depositary will make the election available to you only if we request and it is reasonably practicable, and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in the Cayman Islands would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, Class A ordinary shares or rights to subscribe for additional Class A ordinary shares, we will notify the depositary in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we request such rights be made available to you and provide to the depositary all of the documentation contemplated in the deposit agreement, the depositary will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary may sell all or a portion of the property received.

The depositary will not distribute the property to you and will sell the property if:

- We do not request that the property be distributed to you or if we request that the property not be distributed to you;
- We do not deliver satisfactory documents to the depositary; or
- The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary will convert into U.S. dollars upon the terms of the deposit agreement the redemption funds received in a currency other than U.S. dollars and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a pro rata basis, as the depositary may determine.

Changes Affecting Class A Ordinary shares

The Class A ordinary shares held on deposit for your ADSs may change from time to time. For instance, there may be a change in nominal or par value, split-up, cancelation, consolidation or any other reclassification of such Class A ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of our assets.

If any such change were to occur, your ADSs would, to the extent permitted by law and the deposit agreement, represent the right to receive the property received or exchanged in respect of the Class A ordinary shares held on deposit. The depositary may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the Shares. If the depositary may not lawfully distribute such property to you, the depositary may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Class A Ordinary Shares

Upon completion of the offering, the Class A ordinary shares being offered pursuant to the prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary will issue ADSs to the underwriters named in the prospectus.

After the closing of the offer, the depositary may create ADSs on your behalf if you or your broker deposit Class A ordinary shares with the custodian and provide the certifications and documentation required by the deposit agreement. The depositary will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the Class A ordinary shares to the custodian. Your ability to deposit Class A ordinary shares and receive ADSs may be limited by U.S. and Cayman Islands legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary or the custodian receives confirmation that all required approvals have been given and that the Class A ordinary shares have been duly transferred to the custodian. The depositary will only issue ADSs in whole numbers.

When you make a deposit of Class A ordinary shares, you will be responsible for transferring good and valid title to the depositary. As such, you will be deemed to represent and warrant that:

- The Class A ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such Class A ordinary shares have been validly waived or exercised.
- You are duly authorized to deposit the Class A ordinary shares.
- The Class A ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, “restricted securities” (as defined in the deposit agreement).
- The Class A ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;

- provide such proof of identity and genuineness of signatures as the depositary deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Class A Ordinary Shares Upon Cancelation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary for cancelation and then receive the corresponding number of underlying Class A ordinary shares at the custodian's offices. Your ability to withdraw the Class A ordinary shares held in respect of the ADSs may be limited by U.S. and Cayman Islands law considerations applicable at the time of withdrawal. In order to withdraw the Class A ordinary shares represented by your ADSs, you will be required to pay to the depositary the fees for cancelation of ADSs and any charges and taxes payable upon the transfer of the Class A ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary may deem appropriate before it will cancel your ADSs. The withdrawal of the Class A ordinary shares represented by your ADSs may be delayed until the depositary receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary will only accept ADSs for cancelation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the Class A ordinary shares or ADSs are closed, or (ii) Class A ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends.
- Obligations to pay fees, taxes and similar charges.
- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary to exercise the voting rights for the Class A ordinary shares represented by your ADSs. The voting rights of holders of Class A ordinary shares are described in "Description of Share Capital."

At our request, the depositary will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary to exercise the voting rights of the securities represented by ADSs. In lieu of distributing such materials, the depositary may distribute to holders of ADSs instructions on how to retrieve such materials upon request.

If the depositary timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder's ADSs as follows:

- *In the event* of voting by show of hands, the depositary will instruct the custodian to refrain from voting and the voting instructions (or the deemed voting instructions) received from holders of ADSs shall lapse.
- *In the event* of voting by poll, the depositary will vote (or cause the custodian to vote) the Class A ordinary shares held on deposit in accordance with the voting instructions received from the holders of ADSs.

Securities for which no voting instructions have been received will not be voted (except (a) as set forth above in the case voting is by show of hands, (b) in the event of voting by poll, holders of ADSs in respect of which no timely voting instructions have been received shall be deemed to have instructed the depositary to give a proxy to a person designated by us to vote the Class A ordinary shares represented by such holders' ADSs in a manner consistent with the recommendation(s) made by the company's board of directors as set forth in the proxy statement or other voting materials in connection with the matter(s) submitted for voting; provided, however, that no such proxy shall be given with respect to any matter to be voted upon as to which we inform the depositary that (i) we do not wish such proxy to be given, (ii) substantial opposition exists, or (iii) the rights of holders of Class A ordinary shares may be adversely affected, and (c) as otherwise contemplated in the deposit agreement). Please note that the ability of the depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary in a timely manner.

Fees and Charges

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

Services	Fees
• Issuance of ADSs (e.g., an issuance of ADS upon a deposit of Class A ordinary shares, upon a change in the ADS(s)-to-Class A ordinary share(s) ratio, or for any other reason), excluding ADS issuances as a result of distributions of Class A ordinary shares)	Up to US$0.05 per ADS issued
• Cancelation of ADSs (e.g., a cancelation of ADSs for delivery of deposited property, upon a change in the ADS(s)-to-Class A ordinary share(s) ratio, or for any other reason)	Up to US$0.05 per ADS canceled
• Distribution of cash dividends or other cash distributions (e.g., upon a sale of rights and other entitlements)	Up to US$0.05 per ADS held
• Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs	Up to US$0.05 per ADS held
• Distribution of securities other than ADSs or rights Up to U.S. per ADS held to purchase additional ADSs (e.g., upon a spin-off)	Up to US$0.05 per ADS held
• ADS Services	Up to US$0.05 per ADS held on the applicable record date(s) established by the depositary
• Registration of ADS transfers (e.g., upon a registration of the transfer of registered ownership of	Up to US$0.05 per ADS (or fraction thereof) transferred

Services	Fees
ADSs, upon a transfer of ADSs into DTC and vice versa, or for any other reason)	
• Conversion of ADSs of one series for ADSs of another series (e.g., upon conversion of Partial Entitlement ADSs for Full Entitlement ADSs, or upon conversion of Restricted ADSs (each as defined in the Deposit Agreement) into freely transferable ADSs, and vice versa).	Up to US$0.05 per ADS (or fraction thereof) converted

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of Class A ordinary shares on the share register and applicable to transfers of Class A ordinary shares to or from the name of the custodian, the depositary or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the fees, expenses, spreads, taxes and other charges of the depositary and/or service providers (which may be a division, branch or affiliate of the depositary) in the conversion of foreign currency;
- the reasonable and customary out-of-pocket expenses incurred by the depositary in connection with foreign currency conversions, compliance with exchange control regulations and other regulatory requirements;
- the fees, charges, costs and expenses incurred by the depositary, the custodian, or any nominee in connection with the ADR program; and
- the amounts payable to the depositary by any party to the deposit agreement pursuant to any ancillary agreement to the deposit agreement in respect of the ADR program, the ADSs and the ADRs.

ADS fees and charges for (i) the issuance of ADSs, and (ii) the cancelation of ADSs are charged to the person for whom the ADSs are issued (in the case of ADS issuances) and to the person for whom ADSs are canceled (in the case of ADS cancelations). In the case of ADSs issued by the depositary into DTC, the ADS issuance and cancelation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs being issued or the DTC participant(s) holding the ADSs being canceled, as the case may be, on behalf of the beneficial owner(s) and will be charged by the DTC participant(s) to the account of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participants as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs. In the case of (i) registration of ADS transfers, the ADS transfer fee will be payable by the ADS Holder whose ADSs are being transferred or by the person to whom the ADSs are transferred, and (ii) conversion of ADSs of one series for ADSs of another series, the ADS conversion fee will be payable by the Holder whose ADSs are converted or by the person to whom the converted ADSs are delivered.

In the event of refusal to pay the depositary fees, the depositary may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary fees

from any distribution to be made to the ADS holder. Certain depositary fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of such changes. The depositary may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary agree from time to time.

Amendments and Termination

We may agree with the depositary to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay.

In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the Class A ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary to terminate the deposit agreement. Similarly, the depositary may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depositary will continue to collect distributions received (but will not distribute any such property until you request the cancelation of your ADSs) and may sell the securities held on deposit. After the sale, the depositary will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

In connection with any termination of the deposit agreement, the depositary may make available to owners of ADSs a means to withdraw the Class A ordinary shares represented by ADSs and to direct the depositary of such Class A ordinary shares into an unsponsored American depositary share program established by the depositary. The ability to receive unsponsored American depositary shares upon termination of the deposit agreement would be subject to satisfaction of certain U.S. regulatory requirements applicable to the creation of unsponsored American depositary shares and the payment of applicable depositary fees and expenses.

Books of Depositary

The depositary will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary will maintain in New York facilities to record and process the issuance, cancelation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary's obligations to you. Please note the following:

- We and the depositary are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in Class A ordinary shares, for the validity or worth of the Class A ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary also disclaim any liability for any action or inaction of any clearing or settlement system (and any participant thereof) for the ADSs or deposited securities.
- We and the depositary will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary disclaim any liability if we or the depositary are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our memorandum and articles of association, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our memorandum and articles of association or in any provisions of or governing the securities on deposit.
- We and the depositary further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting Shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Class A ordinary shares but is not, under the terms of the deposit agreement, made available to you.
- We and the depositary may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.
- We and the depositary also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.
- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.
- Nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary and you as ADS holder.
- Nothing in the deposit agreement precludes the depositary (or its affiliates) from engaging in transactions in which parties adverse to us or the ADS owners have interests, and nothing in the deposit

agreement obligates the depositary to disclose those transactions, or any information obtained in the course of those transactions, to us or to the ADS owners, or to account for any payment received as part of those transactions.

As the above limitations relate to our obligations and the depositary's obligations to you under the deposit agreement, we believe that, as a matter of construction of the clause, such limitations would likely to continue to apply to ADS holders who withdraw the Class A ordinary shares from the ADS facility with respect to obligations or liabilities incurred under the deposit agreement before the cancellation of the ADSs and the withdrawal of the Class A ordinary shares, and such limitations would most likely not apply to ADS holders who withdraw the Class A ordinary shares from the ADS facility with respect to obligations or liabilities incurred after the cancellation of the ADSs and the withdrawal of the Class A ordinary shares and not under the deposit agreement.

In any event, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder. In fact, you cannot waive our or the depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary and to the custodian proof of taxpayer status and residence and such other information as the depositary and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.
- Distribute the foreign currency to holders for whom the distribution is lawful and practical.
- Hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement, the ADRs and the ADSs will be interpreted in accordance with the laws of the State of New York. The rights of holders of Class A ordinary shares (including Class A ordinary shares represented by ADSs) are governed by the laws of the Cayman Islands.

As a party to the deposit agreement, you irrevocably waive, to the fullest extent permitted by applicable law, your right to trial by jury in any legal proceeding arising out of or related to the deposit agreement or the ADRs, or the transactions contemplated therein, against us and/or the depositary.

Such waiver of your right to trial by jury would apply to any claim under U.S. federal securities laws. The waiver continues to apply to claims that arise during the period when a holder holds the ADSs, whether the ADS holder purchased the ADSs in this offering or secondary transactions, even if the ADS holder subsequently withdraws the underlying Class A ordinary shares. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of the applicable case in accordance with applicable case law. However, you will not be deemed, by agreeing to the terms of the deposit agreement, to have waived our or the depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

Jurisdiction

We have agreed with the depositary that the federal or state courts in the City of New York shall have the non-exclusive jurisdiction to hear and determine any dispute between us and the depositary arising from or relating in any way to the deposit agreement (including claims arising under the Exchange Act or the Securities Act).

The deposit agreement provides that, by holding an ADS or an interest therein, you irrevocably agree that any legal suit, action or proceeding against or involving us or the depositary arising out of or related in any way to the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby or by virtue of ownership thereof, may only be instituted in the United States District Court for the Southern District of New York (or, if the Southern District of New York lacks subject matter jurisdiction over a particular dispute, in the state courts of New York County, New York), and by holding an ADS or an interest therein you irrevocably waive any objection which you may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action or proceeding. The deposit agreement also provides that the foregoing agreement and waiver shall survive your ownership of ADSs or interests therein.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, assuming no exercise by the underwriters of their option to purchase additional ADSs, we will have ADSs outstanding representing Class A ordinary shares, or approximately % of our issued and outstanding ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than our "affiliates" (as that term is defined in Rule 144 under the Securities Act) without restriction or further registration under the Securities Act. Sales of substantial amounts of the ADSs in the public market could materially adversely affect prevailing market prices of the ADSs.

Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We have applied to list the ADSs on the Nasdaq Stock Market. However, we cannot assure you that a regular trading market will develop in the ADSs. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. We do not expect that a trading market will develop for our ordinary shares not represented by the ADSs. Future sales of substantial amounts of our ordinary shares or ADSs in the public markets after this offering, or the perception that such sales may occur, could adversely affect market prices prevailing from time to time.

Lock-up Agreements

[We have agreed, for a period of 180 days after the date of this prospectus, subject to certain exceptions, not to offer, sell, contract to sell, pledge, grant any option or contract to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities (other than pursuant to employee equity incentive plans existing on, or upon the conversion or exchange of convertible or exchangeable securities outstanding as of, the date such lock-up agreement was executed), without the prior written consent of the underwriters.

Furthermore, each of our directors and executive officers and existing shareholders has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. These restrictions also apply to any ADSs acquired by our directors and executive officers in the offering pursuant to the directed share program, if any. These parties collectively own all of our outstanding ordinary shares, without giving effect to this offering.]

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of the ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for the ADSs or ordinary shares may dispose of significant numbers of the ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of the ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of the ADSs from time to time. Sales of substantial amounts of the ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of the ADSs.

Rule 144

All of our ordinary shares that will be outstanding upon the completion of this offering, other than those ordinary shares sold in this offering, are "restricted securities" as that term is defined in Rule 144 under the Securities Act and may be sold publicly in the United States only if they are subject to an effective registration statement under the Securities Act or pursuant to an exemption from the registration requirement such as those

provided by Rule 144 and Rule 701 promulgated under the Securities Act. In general, beginning 90 days after the date of this prospectus, a person who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that (together with any sales aggregated with them) does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal Class A ordinary shares, assuming the underwriters do not exercise their option to purchase additional ADSs; or
- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

Beginning 90 days after the date of this prospectus, persons other than affiliates who purchased ordinary shares under a written compensatory plan or other written agreement executed prior to the completion of this offering may be entitled to sell such shares in the United States in reliance on Rule 701 under the Securities Act (the “Rule 701”). Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 subject only to its manner-of-sale requirements. However, the Rule 701 shares would remain subject to any applicable lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Form S-8

We intend to file a registration statement on Form S-8 under the Securities Act covering all Class A ordinary shares which are either subject to outstanding options or may be issued upon exercise of any options or other equity awards which may be granted or issued in the future pursuant to the 2018 Plan and the 2021 Plan. We expect to file this registration statement as soon as practicable after the date of this prospectus. Shares registered under any registration statements will be available for sale in the open market, except to the extent that the shares are subject to vesting restrictions with us or the contractual restrictions described elsewhere in this prospectus.

TAXATION

The following summary of the material Cayman Islands, PRC and United States federal income tax consequences of an investment in the ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. The following summary does not constitute legal or tax advice. The discussion does not deal with all possible tax consequences relating to an investment in ADSs or Class A ordinary shares. In particular, the discussion does not address U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the federal tax law of the United States. Accordingly, you should consult your own tax advisor regarding the tax consequences of an investment in the ADSs or Class A ordinary shares. To the extent that the discussion relates to matters of Cayman Islands tax law, it represents the opinion of Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel. To the extent that the discussion relates to matters of PRC tax law, it represents the opinion of CM Law Firm, our PRC legal counsel.

Cayman Islands Tax Considerations

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties applicable to payments to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the Shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

Pursuant to Section 6 of the Tax Concessions Act (As Revised)) of the Cayman Islands, we have obtained an undertaking from the Financial Secretary of the Cayman Islands that:

- no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to us or our operations; and
- in addition, that no tax be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
  - (i) on or in respect of our shares, debentures or other obligations; or
  - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act.

The undertaking for us is for a period of 30 years from July 13, 2022.

People's Republic of China Taxation

Under the EIT Law and its implementation rules, an enterprise established outside of the PRC with a "de facto management body" within the PRC is considered a resident enterprise and will be subject to the enterprise income tax at the rate of 25% on its global income. The implementation rules define the term "de facto management body" as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, SAT issued SAT Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in China. Although SAT Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in SAT Circular 82 may reflect the general position of SAT

on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in China only if all of the following conditions are met: (1) the primary location of the day-to-day operational management is in the PRC; (2) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (3) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (4) at least 50% of voting board members or senior executives habitually reside in the PRC. We believe that our Cayman Islands holding company, is not a PRC resident enterprise for PRC tax purposes. Our Cayman Islands holding company is not controlled by a PRC enterprise or PRC enterprise group, and we do not believe that it meets all of the conditions above. For the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body". Therefore, there can be no assurance that the PRC government will ultimately take a view that is consistent with ours.

If the PRC tax authorities determine that our Cayman Islands holding company is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of the ADSs. In addition, non-resident enterprise shareholders (including the ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including the ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20%. Any PRC tax imposed on dividends or gains may be subject to a reduction if a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of our Cayman Islands holding company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that our Cayman Islands holding company is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company is not deemed to be a PRC resident enterprise, holders of the ADSs and ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under SAT Bulletin 7 and SAT Bulletin 37, where a non-resident enterprise conducts an "indirect transfer" by transferring taxable assets, including, in particular, equity interests in a PRC resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the PRC entity which directly owned such taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. We and our non-PRC resident investors may be at risk of being required to file a return and being taxed under SAT Bulletin 7 and SAT Bulletin 37, and we may be required to expend valuable resources to comply with SAT Bulletin 7 and SAT Bulletin 37, or to establish that we should not be taxed thereunder. See "Risk Factors — Risks Related to Doing Business in China — If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or the ADSs holders".

United States Federal Income Taxation

The following discussion is a summary of United States federal income tax considerations relating to the ownership and disposition of the ADSs or Class A ordinary shares by a U.S. Holder, as defined below, that

acquires the ADSs in this offering and holds the ADSs or Class A ordinary shares as "capital assets" (generally, property held for investment) under the United States Internal Revenue Code of 1986, as amended (the "Code").

This discussion is based on the Code, its legislative history, existing and proposed regulations promulgated thereunder, published rulings, court decisions and the Agreement Between the Government of the United States of America and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Tax Evasion with Respect to Taxes on Income (the "United States-PRC income tax treaty"). These laws are subject to differing interpretations or change, possibly with retroactive effect. No ruling has been sought from the Internal Revenue Service (the "IRS"), with respect to any United States federal income tax consequences described below, and we cannot assure you that the IRS or a court will not take a contrary position.

This discussion does not address all aspects of United States federal income taxation that may be relevant to particular investors in light of their individual circumstances, including investors subject to special tax rules, including:

- banks and certain other financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- broker-dealers;
- traders in securities that elect to use a mark-to-market method of tax accounting for securities holdings;
- partnerships or other entities treated as partnerships or other pass-through entities for United States federal income tax purposes or persons holding the ADSs or Class A ordinary shares through any such entities;
- certain former U.S. citizens or long-term residents;
- tax-exempt organizations (including private foundations), "individual retirement accounts" or "Roth IRAs";
- investors that own (directly, indirectly, or constructively) 10% or more of our stock by vote or value;
- investors that hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale or other integrated transaction);
- holders who acquire their ADSs or Class A ordinary shares pursuant to any employee share option or otherwise as compensation;
- investors that have a functional currency other than the U.S. dollar; or
- investors required to accelerate the recognition of any item of gross income with respect to the ADSs or Class A ordinary shares as a result of such income being recognized on an applicable financial statement.

In addition, this discussion does not address any aspects of United States gift or estate tax, alternative minimum tax, the Medicare contribution tax on net investment income, or any state, local or non-United States tax. Each potential investor is urged to consult its tax advisor regarding the United States federal, state, local and non-United States income and other tax considerations of an investment in the ADSs or ordinary shares.

General

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of the ADSs or Class A ordinary shares that is, for United States federal income tax purposes, (1) an individual who is a citizen or resident of the

United States, (2) a corporation (or other entity treated as a corporation for United States federal income tax purposes) created in, or organized under the laws of, the United States or any state thereof or the District of Columbia, (3) an estate the income of which is includible in gross income for United States federal income tax purposes regardless of its source, or (4) a trust (a) the administration of which is subject to the primary supervision of a United States court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (b) that has otherwise elected to be treated as a United States person under the Code.

If a partnership (or other entity treated as a partnership for United States federal income tax purposes) is a beneficial owner of the ADSs or Class A ordinary shares, the tax treatment of a partner in the partnership will depend upon the status of the partner and the activities of the partnership. Partnerships and partners of a partnership holding the ADSs or Class A ordinary shares are urged to consult their tax advisors regarding an investment in the ADSs or Class A ordinary shares.

For United States federal income tax purposes, a U.S. Holder of ADSs will generally be treated as the beneficial owner of the underlying Class A ordinary shares represented by the ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will generally not be subject to United States federal income tax.

[***Passive foreign investment company considerations***

A non-United States corporation, such as our company, will be classified as a "passive foreign investment company," or PFIC, for United States federal income tax purposes, if, in the case of any particular taxable year, either (1) 75% or more of its gross income for such year consists of certain types of "passive" income or (2) 50% or more of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. For this purpose, cash and cash equivalents (with certain exceptions) are categorized as passive assets and the company's unbooked intangibles associated with non-passive business activities may generally be classified as non-passive assets. Passive income generally includes, among other things, dividends, interest, rents, royalties, and gains from the disposition of passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, more than 25% (by value) of the stock.

Although the law in this regard is unclear, we treat our affiliated entities as being owned by us for United States federal income tax purposes [because we control their management decisions and] are entitled to substantially all of their economic benefits, and, as a result, we combine and consolidate their financial results in our consolidated financial statements. Assuming that we are the owner of our affiliated entities for United States federal income tax purposes, based upon our current and anticipated composition of income and assets (taking into account the expected proceeds from this offering) and projections as to the value of the ADSs and Class A ordinary shares following the offering, we do not expect to be classified as a PFIC for the current taxable year or the foreseeable future.

While we do not expect to be or become a PFIC in the current taxable year or the foreseeable future, the determination of whether we will be or become a PFIC will depend upon the composition of our income (which may differ from our historical results and current projections) and assets and the value of our assets from time to time, including, in particular, the value of our goodwill and other unbooked intangibles (which may depend upon the market value of the ADSs or Class A ordinary shares from time-to-time and may be volatile). In estimating the value of our goodwill and other unbooked intangibles, we have taken into account our anticipated market capitalization following the close of this offering. Among other matters, if our market capitalization is less than anticipated or subsequently declines, we may be classified as a PFIC for the current or future taxable years. It is also possible that the IRS may challenge our classification or valuation of our goodwill and other unbooked intangibles, which may result in our company being, or becoming classified as, a PFIC for the current or one or more future taxable years.

The determination of whether we will be or become a PFIC may also depend, in part, on how, and how quickly, we use our liquid assets and the cash raised in this offering. Under circumstances where we retain significant amounts of liquid assets including cash raised in this offering, or if our affiliated entities were not treated as owned by us for United States federal income tax purposes, our risk of being classified as a PFIC may substantially increase. Because there are uncertainties in the application of the relevant rules and PFIC status is a factual determination made annually after the close of each taxable year, we cannot assure you that we will not be a PFIC for the current taxable year or any future taxable year. If we were classified as a PFIC for any year during which a U.S. Holder held the ADSs or Class A ordinary shares, we generally would continue to be treated as a PFIC for all succeeding years during which such U.S. Holder held the ADSs or Class A ordinary shares.

The discussion below under "Dividends" and "Sale or Other Disposition of ADSs or Class A ordinary shares" is written on the basis that we will not be classified as a PFIC for United States federal income tax purposes. The United States federal income tax rules that apply to a U.S. Holder if we are classified as a PFIC for the current taxable year or any subsequent taxable year in which the U.S. Holder holds the ADSs or Class A ordinary shares are discussed below under "Passive Foreign Investment Company rules."

Dividends

Subject to the discussion under "Passive Foreign Investment Company rules" described below, any cash distributions (including the amount of any PRC tax withheld) paid on the ADSs or Class A ordinary shares out of our current or accumulated earnings and profits, as determined under United States federal income tax principles, will generally be includible in the gross income of a U.S. Holder as dividend income on the day actually or constructively received by the U.S. Holder, in the case of ordinary shares, or by the depositary bank, in the case of ADSs. Because we do not intend to determine our earnings and profits on the basis of United States federal income tax principles, any distribution will generally be treated as a "dividend" for United States federal income tax purposes. Under current law, a non-corporate recipient of dividend income will generally be subject to tax on dividend income from a "qualified foreign corporation" at the lower applicable capital gains rate rather than the marginal tax rates generally applicable to ordinary income, provided that certain holding period and other requirements are met.

A non-United States corporation (other than a corporation that is classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year) will generally be considered to be a qualified foreign corporation (1) if it is eligible for the benefits of a comprehensive tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for purposes of this provision and which includes an exchange of information program, or (2) with respect to any dividend it pays on stock (or depositary shares in respect of such stock) which is readily tradable on an established securities market in the United States. We have applied to list the ADSs on the Nasdaq Stock Market. Provided the listing is approved, we believe that the ADSs will be readily tradable on an established securities market in the United States and that we will be a qualified foreign corporation with respect to dividends paid on the ADSs. Since we do not expect that our Class A ordinary shares will be listed on established securities markets, it is unclear whether dividends that we pay on our Class A ordinary shares that are not backed by ADSs currently meet the conditions required for the reduced tax rate. We cannot assure you that the ADSs will continue to be considered readily tradable on an established securities market in later years. In the event we are deemed to be a PRC resident enterprise under the EIT Law, we may be eligible for the benefits of the United States-PRC income tax treaty (which the Secretary of the Treasury of the United States has determined is satisfactory for this purpose), in which case we would be treated as a qualified foreign corporation with respect to dividends paid on our Class A ordinary shares or ADSs. U.S. Holders are urged to consult their tax advisors regarding the availability of the reduced tax rate on dividends in their particular circumstances. Dividends received on the ADSs or Class A ordinary shares will not be eligible for the dividends received deduction generally allowed to United States corporations.

For United States foreign tax credit purposes, dividends paid on the ADSs or ordinary shares will generally be treated as income from foreign sources and will generally constitute passive category income. In the event that

we are deemed to be a PRC resident enterprise under the EIT Law, a U.S. Holder may be subject to PRC withholding taxes on dividends paid, if any, on the ADSs or ordinary shares. A U.S. Holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any foreign withholding taxes imposed on dividends received on the ADSs or ordinary shares. A U.S. Holder who does not elect to claim a foreign tax credit for foreign tax withheld may instead claim a deduction for United States federal income tax purposes in respect of such withholding, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

Sale or other disposition of ADSs or Class A ordinary shares

Subject to the discussion under "Passive Foreign Investment Company rules", a U.S. Holder will generally recognize capital gain or loss, if any, upon the sale or other disposition of ADSs or Class A ordinary shares in an amount equal to the difference between the amount realized upon the disposition and the U.S. Holder's adjusted tax basis in such ADSs or ordinary shares. Any capital gain or loss the U.S. Holder recognizes will generally be long-term capital gain or loss if the ADSs or Class A ordinary shares have been held for more than one year and will generally be United States-source gain or loss for United States foreign tax credit purposes. Long-term capital gains of non-corporate taxpayers will generally be eligible for reduced rates of taxation. The deductibility of a capital loss may be subject to limitations. In the event that we are treated as a PRC resident enterprise under the EIT Law, and gain from the disposition of the ADSs or Class A ordinary shares is subject to tax in the PRC, a U.S. Holder that is eligible for the benefits of the United States-PRC income tax treaty may be able to elect to treat such gain as PRC-source gain for foreign tax credit purposes under the United States-PRC income tax treaty. If a U.S. Holder is not eligible for the benefits of the United States-PRC income tax treaty or fails to treat any such gain as PRC-source, then such U.S. Holder would generally not be able to use any foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or Class A ordinary shares unless such credit can be applied (subject to applicable limitations) against U.S. federal income tax due on other income derived from foreign sources in the same income category (generally, the passive category). Recently finalized United States Treasury regulations may also impose additional limitations on the creditability of any PRC tax on sales or dispositions of our ADSs or Class A ordinary shares. U.S. Holders are urged to consult their tax advisors regarding the tax consequences if a foreign tax is imposed on a disposition of the ADSs or Class A ordinary shares, including the availability of the foreign tax credit under their particular circumstances.

Passive Foreign Investment Company rules

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds the ADSs or Class A ordinary shares, unless the U.S. Holder makes a mark-to-market election (as described below), the U.S. Holder will, except as discussed below, be subject to special tax rules that have a penalizing effect, regardless of whether we remain a PFIC, on (1) any excess distribution that we make to the U.S. Holder (which generally means any distribution paid during a taxable year to a U.S. Holder that is greater than 125% of the average annual distributions paid in the three preceding taxable years or, if shorter, the U.S. Holder's holding period for the ADSs or Class A ordinary shares), and (2) any gain realized on the sale or other disposition, including, under certain circumstances, a pledge, of ADSs or Class A ordinary shares. Under the PFIC rules:

- the excess distribution and/or gain will be allocated ratably over the U.S. Holder's holding period for the ADSs or Class A ordinary shares;
- the amount allocated to the current taxable year and any taxable years in the U.S. Holder's holding period prior to the first taxable year in which we are classified as a PFIC, or a pre-PFIC year, will be taxable as ordinary income; and
- the amount allocated to each prior taxable year, other than the current taxable year or a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to the individuals or corporations, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

If we are a PFIC for any taxable year during which a U.S. Holder holds the ADSs or Class A ordinary shares and any of our non-United States subsidiaries is also a PFIC, such U.S. Holder would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules. Each U.S. Holder is advised to consult its tax advisors regarding the application of the PFIC rules to any of our subsidiaries.

As an alternative to the foregoing PFIC rules, a U.S. Holder of "marketable stock" in a PFIC may make a mark-to-market election with respect to the ADSs, provided that the ADSs are "regularly traded" (as specially defined) on the Nasdaq Stock Market (or other qualified exchange or other market). We anticipate that the ADSs should qualify as being regularly traded in this regard, although we cannot assure you whether the ADSs will so qualify, or will continue to be so qualified. If a mark-to-market election is made, the U.S. Holder will generally (1) include as ordinary income for each taxable year that we are a PFIC the excess, if any, of the fair market value of ADSs held at the end of the taxable year over the adjusted tax basis of such ADSs and (2) deduct as an ordinary loss the excess, if any, of the adjusted tax basis of the ADSs over the fair market value of such ADSs held at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. The U.S. Holder's adjusted tax basis in the ADSs would be adjusted to reflect any income or loss resulting from the mark-to-market election. If a U.S. Holder makes an effective mark-to-market election, in each year that we are a PFIC any gain recognized upon the sale or other disposition of the ADSs will be treated as ordinary income and loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. Because our Class A ordinary shares are not listed on a stock exchange, it is not expected that U.S. Holders will be able to make a mark-to-market election with respect to our Class A ordinary shares.

If a U.S. Holder makes a mark-to-market election in respect of a corporation classified as a PFIC and such corporation ceases to be classified as a PFIC, the U.S. Holder will not be required to take into account the mark-to-market gain or loss described above during any period that such corporation is not classified as a PFIC.

Because a mark-to-market election cannot be made for any lower-tier PFICs that a PFIC may own, a U.S. Holder who makes a mark-to-market election with respect to the ADSs may continue to be subject to the general PFIC rules with respect to such U.S. Holder's indirect interest in any of our non-United States subsidiaries that is classified as a PFIC.

We do not intend to provide information necessary for U.S. Holders to make qualified electing fund elections, which, if available, would result in tax treatment for such U.S. Holders different from the general PFIC tax treatment described above.

As discussed above under "Dividends," dividends that we pay on the ADSs or Class A ordinary shares will not be eligible for the reduced tax rate that applies to qualified dividend income if we are classified as a PFIC for the taxable year in which the dividend is paid or the preceding taxable year. In addition, if a U.S. Holder owns the ADSs or Class A ordinary shares during any taxable year that we are a PFIC, the U.S. Holder must file an annual information return with the IRS. Each U.S. Holder is urged to consult its tax advisor concerning the United States federal income tax consequences of purchasing, holding, and disposing ADSs or Class A ordinary shares if we are or become a PFIC, including the possibility of making a mark-to-market election and the unavailability of the qualified electing fund election.]

Information reporting

Certain U.S. Holders are required to report information to the IRS relating to an interest in "specified foreign financial assets," including shares issued by a non-United States corporation, for any year in which the aggregate value of all specified foreign financial assets exceeds US$50,000 (or a higher dollar amount prescribed by the IRS), subject to certain exceptions (including an exception for shares held in custodial accounts maintained with a United States financial institution). These rules also impose penalties if a U.S. Holder is required to submit such information to the IRS and fails to do so.

In addition, U.S. Holders may be subject to information reporting to the IRS and backup withholding with respect to dividends on and proceeds from the sale or other disposition of the ADSs or Class A ordinary shares. Information reporting will apply to payments of dividends on, and to proceeds from the sale or other disposition of, Class A ordinary shares or ADSs by a paying agent within the United States to a U.S. Holder, other than U.S. Holders that are exempt from information reporting and properly certify their exemption. A paying agent within the United States will be required to withhold at the applicable statutory rate, (as of the date of this prospectus, 24%), in respect of any payments of dividends on, and the proceeds from the disposition of, ordinary shares or ADSs within the United States to a U.S. Holder (other than U.S. Holders that are exempt from backup withholding and properly certify their exemption) if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with applicable backup withholding requirements. U.S. Holders who are required to establish their exempt status generally must provide a properly completed IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability. A U.S. Holder generally may obtain a refund of any amounts withheld under the backup withholding rules by filing the appropriate claim for refund with the IRS in a timely manner and furnishing any required information. Each U.S. Holder is advised to consult with its tax advisor regarding the application of the United States information reporting rules to their particular circumstances.

Each prospective investor should consult its own tax advisor regarding the particular U.S. federal, state, and local and non-U.S. tax consequences of purchasing, holding, and disposing of our Class A ordinary shares or ADSs, including the consequences of any proposed change in applicable laws.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Citigroup Global Markets Inc. and China International Capital Corporation Hong Kong Securities Limited are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of ADSs indicated below:

Underwriter	Number of ADSs
Citigroup Global Markets Inc.	
China International Capital Corporation Hong Kong Securities Limited	
US Tiger Securities, Inc.	
Total	

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken. However, the underwriters are not required to take or pay for the ADSs covered by the underwriters' over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may be increased or the offering may be terminated.

The underwriters initially propose to offer part of the ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of US$ per ADS under the initial public offering price. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase on a pro rata basis up to additional ADSs at the initial public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ADSs offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ADSs as the number listed next to the underwriter's name in the preceding table bears to the total number of ADSs listed next to the names of all underwriters in the preceding table.

The following table shows the per ADS and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional ADSs.

	Per ADS		Total	
	Without Option to Purchase Additional ADSs	With Option to Purchase Additional ADSs	Without Option to Purchase Additional ADSs	With Option to Purchase Additional ADSs
Public offering price	US$	US$	US$	US$
Underwriting discounts and commissions paid by us	US$	US$	US$	US$
Proceeds to us, before expenses	US$	US$	US$	US$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately US$.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

Certain of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. China International Capital Corporation Hong Kong Securities Limited is not a broker-dealer registered with the SEC, and, to the extent that its conduct may be deemed to involve participation in offers or sales of the ADSs in the United States, those offers or sales will be made through one or more SEC-registered broker-dealers in compliance with applicable laws and regulations.

We intend to apply for the listing of our ADSs on the Nasdaq Stock Market under the trading symbol "QSG."

We, [our directors, executive officers, all of our existing shareholders and option holders] have agreed with the representatives on behalf of the underwriters to certain lock-up restrictions in respect of our ordinary shares, ADSs, and/or any securities convertible into or exchangeable or exercisable for any of our ordinary shares or ADSs, during the period ending 180 days after the date of this prospectus, subject to certain exceptions.

The representatives, in their sole discretion, may release the ordinary shares, ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.

In connection with the offering, the underwriters may purchase and sell ADSs in the open market. These transactions may include short sales in accordance with Regulation M under the Exchange Act, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional ADSs in the offering. The underwriters may close out any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to close out the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option granted to them. "Naked" short sales are any sales in excess of such option. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for, or purchases of, ADSs made by the underwriters in the open market prior to the completion of the offering.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the ADSs, and may stabilize, maintain or otherwise affect the market price of the ADSs. As a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they are required to be conducted in accordance with applicable laws and regulations, and they may be discontinued at any time. These transactions may be effected on the Nasdaq Stock Market, the over-the-counter market or otherwise.

We have agreed to indemnify underwriters against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering and one or more of the underwriters participating in this offering may distribute prospectuses electronically. The representatives may agree to allocate a number of ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares or ADSs. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in businesses similar to ours.

We cannot assure you that the initial public offering price will correspond to the price at which our ordinary shares or ADSs will trade in the public market subsequent to this offering or that an active trading market for our ordinary shares or ADSs will develop and continue after this offering.

[Directed Share Program

At our request, the underwriters have reserved up to % of the ADSs to be issued by us and offered by this prospectus for sale, at the initial public offering price, to our directors, officers, employees, business associates and related persons. The number of ADSs available for sale to the general public will be reduced to the extent these individuals purchase such reserved ADSs. Any reserved ADSs that are not so purchased will be offered by the underwriters to the general public on the same basis as the other ADSs offered by this prospectus. For our directors and officers purchasing ADSs through the directed share program, the lock-up agreements described above shall govern with respect to their purchases.]

Selling Restrictions

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of

the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area (each a "Relevant State"), no ADSs have been offered or will be offered pursuant to this offering to the public in that Relevant State prior to the publication of a prospectus in relation to the ADSs which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of ADSs may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the underwriters; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer ADSs shall require us or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation and each person who initially acquires any ADSs or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation. In the case of any ADSs being offered to a financial intermediary as that term is used in the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the ADSs acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any ADSs to the public other than their offer or resale in a Relevant State to qualified investors as so defined or in circumstances in which the prior consent of the underwriters have been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression an "offer to the public" in relation to ADSs in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any ADSs, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

United Kingdom

No ADSs have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the ADSs which have been approved by the Financial Conduct Authority, except that the ADSs may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of underwriters for any such offer; or

(c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the ADSs shall require us or any underwriter to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the ADSs in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any ADSs to be offered so as to enable an investor to decide to purchase or subscribe for any ADSs and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons") or otherwise in circumstances which have not resulted and will not result in an offer to the public of the ADSs in the United Kingdom within the meaning of the Financial Services and Markets Act 2000.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Switzerland

The ADSs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (the "SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the ADSs or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, us, the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of ADSs.

Monaco

The ADSs may not be offered or sold, directly or indirectly, to the public in Monaco other than by a Monaco Bank or a duly authorized Monegasque intermediary acting as a professional institutional investor which has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in the Fund. Consequently, this prospectus may only be communicated to (i) banks, and (ii) portfolio management companies duly licensed by the "Commission de Contrôle des Activités Financières" by virtue of Law n° 1.338, of September 7, 2007, and authorized under Law n° 1.144 of July 26, 1991. Such regulated intermediaries may in turn communicate this document to potential investors.

Australia

This document:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "Corporations Act");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (the "ASIC"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act ("Exempt Investors").

The ADSs may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the ADSs may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any ADSs may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the ADSs, you represent and warrant to us that you are an Exempt Investor.

As any offer of ADSs under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the ADSs you undertake to us that you will not, for a period of 12 months from the date of issue of the ADSs, offer, transfer, assign or otherwise alienate those ADSs to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMA Act"). The securities may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Japan

The ADSs have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the ADSs nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any "resident" of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Hong Kong

The ADSs have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong) (the "CO") or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the ADSs has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Singapore

Each underwriters has acknowledged that this document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any ADSs or caused the ADSs to be made the subject of an invitation for subscription or purchase and will not offer or sell any ADSs or cause the ADSs to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA") pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred

within six months after that corporation or that trust has acquired the ADSs pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

China

This Document will not be circulated or distributed in China and the ADSs will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of China except pursuant to any applicable laws and regulations of China. Neither this Document nor any advertisement or other offering material may be distributed or published in China, except under circumstances that will result in compliance with applicable laws and regulations.

Korea

The ADSs have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "FSCMA") and the ADSs have been and will be offered in Korea as a private placement under the FSCMA. None of the ADSs may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "FETL"). The ADSs have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the ADSs shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the ADSs. By the purchase of the ADSs, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the ADSs pursuant to the applicable laws and regulations of Korea.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the ADSs has been or will be registered with the Securities Commission of Malaysia (the "Commission") for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the ADSs, as principal, if the offer is on terms that the ADSs may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total

net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the ADSs is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Taiwan

The ADSs have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the ADSs in Taiwan.

Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority (the "CMA"), pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended, the CMA Regulations. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial adviser.

Qatar

The ADSs described in this prospectus have not been, and will not be, offered, sold or delivered, at any time, directly or indirectly in the State of Qatar in a manner that would constitute a public offering. This prospectus has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority or Qatar Central Bank and may not be publicly distributed. This prospectus is intended for the original recipient only and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

Dubai International Financial Centre (the "DIFC")

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (the "DFSA"). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

United Arab Emirates

The ADSs have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

Bermuda

The ADSs may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

British Virgin Islands

The ADSs are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The ADSs may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (the "BVI Companies"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Bahamas

The ADSs may not be offered or sold in The Bahamas via a public offer. The ADSs may not be offered or sold or otherwise disposed of in any way to any person(s) deemed "resident" for exchange control purposes by the Central Bank of The Bahamas.

South Africa

Due to restrictions under the securities laws of South Africa, no "*offer to the public*" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "South African Companies Act") is being made in connection with the issue of the ADSs in South Africa. Accordingly, this document does not, nor is it intended to, constitute a "*registered prospectus*" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The ADSs are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96 (1) applies:

Section 96 (1) (a)	the offer, transfer, sale, renunciation or delivery is to:
	(i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;
	(ii) the South African Public Investment Corporation; (iii) persons or entities regulated by the Reserve Bank of South Africa;
	(iv) authorized financial service providers under South African law;

	(v) financial institutions recognized as such under South African law;
	(vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or
	(vii) any combination of the person in (i) to (vi); or
Section 96 (1) (b)	the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as "*advice*" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

EXPENSES OF THE OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, expected to be incurred in connection with the offer and sale of the ADSs by us. Except for the SEC registration fee, the Nasdaq Stock Market listing fee and the Financial Industry Regulatory Authority Inc. filing fee, all amounts are estimates.

	Amount to be Paid (US$)
SEC registration fee	
FINRA filing fee	
Nasdaq Stock Market listing fee	
Printing and engraving expenses	
Legal fees and expenses	
Accounting fees and expenses	
Miscellaneous expenses	
Total	

LEGAL MATTERS

We are being represented by Wilson Sonsini Goodrich & Rosati, Professional Corporation with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Latham & Watkins LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the Class A ordinary shares represented by the ADSs offered in this offering and other certain legal matters as to Cayman Islands law will be passed upon for us by Maples and Calder (Hong Kong) LLP. Certain legal matters as to PRC law will be passed upon for us by CM Law Firm and for the underwriters by Jingtian & Gongcheng. Wilson Sonsini Goodrich & Rosati, Professional Corporation may rely upon Maples and Calder (Hong Kong) LLP with respect to matters governed by Cayman Islands law and CM Law Firm with respect to matters governed by PRC law. Latham & Watkins LLP may rely upon Jingtian & Gongcheng with respect to matters governed by PRC law.

EXPERTS

The financial statements as of June 30, 2021 and 2022 and for each of the two years in the period ended June 30, 2022 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The registered business address of PricewaterhouseCoopers Zhong Tian LLP is 6/F DBS Bank Tower, 1318 Lu Jia Zui Ring Road, Pudong New Area, Shanghai, People's Republic of China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form F-1, including relevant exhibits and schedules under the Securities Act with respect to underlying Class A ordinary shares represented by the ADSs, to be sold in this offering. A related registration statement on Form F-6 will also be filed with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement. You should read the registration statements on Form F-1 and Form F-6 and their exhibits and schedules for further information with respect to us and the ADSs.

We are subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we are required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be inspected over the internet at the SEC's website at www.sec.gov and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements to shareholders, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meeting and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, upon our written request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

QUANTASING GROUP LIMITED
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of QuantaSing Group Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of QuantaSing Group Limited and its subsidiaries (the "Company") as of June 30, 2022 and 2021, and the related consolidated statements of operations and comprehensive loss, of changes in invested deficit / shareholders' deficit and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
September 29, 2022, except for the effects of updating the convenience translation discussed in Note 2(e) to the consolidated financial statements, as to which the date is December 20, 2022

We have served as the Company's auditor since 2021.

QUANTASING GROUP LIMITED

CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	As of June 30, 2021	2022	2022
		RMB	RMB	US$ Note 2(e)
ASSETS				
Current assets:				
Cash and cash equivalents		25,101	266,427	37,454
Short-term investments	11	29,629	132,632	18,645
Accounts receivable, net	4	99,127	1,937	272
Amounts due from related parties	18	2,448	47,394	6,663
Prepayments and other current assets	5	118,582	115,560	16,245
Total current assets		**274,887**	**563,950**	**79,279**
Non-current assets:				
Property and equipment, net	6	4,749	5,169	727
Intangible assets, net	7	33,332	—	—
Operating lease right-of-use assets	10	9,344	23,917	3,362
Other non-current assets		7,914	10,430	1,466
Total non-current assets		**55,339**	**39,516**	**5,555**
TOTAL ASSETS		**330,226**	**603,466**	**84,834**

QUANTASING GROUP LIMITED

CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	As of June 30, 2021	As of June 30, 2022	As of June 30, 2022
		RMB	RMB	US$ Note 2(e)
LIABILITIES				
Current liabilities:				
Accounts payables (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB74,462 and RMB45,178 as of June 30, 2021 and 2022, respectively)	8	74,462	45,178	6,351
Accrued expenses and other current liabilities (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB51,765 and RMB77,616 as of June 30, 2021 and 2022, respectively)	9	68,895	108,592	15,266
Amounts due to related parties (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB7,000 and nil as of June 30, 2021 and 2022, respectively)	18	19,546	—	—
Income tax payable (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB2,303 and RMB7,298 as of June 30, 2021 and 2022, respectively)		2,303	7,298	1,026
Contract liabilities, current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB267,729 and RMB384,729 as of June 30, 2021 and 2022, respectively)		267,729	384,729	54,084
Advance from customers (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB133,201 and RMB151,089 as of June 30, 2021 and 2022, respectively)		133,201	151,089	21,240
Operating lease liabilities, current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB7,091 and RMB14,875 as of June 30, 2021 and 2022, respectively)	10	7,128	16,331	2,296
Total current liabilities		**573,264**	**713,217**	**100,263**
Non-current liabilities:				
Contract liabilities, non-current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB26,358 and RMB8,869 as of June 30, 2021 and 2022, respectively)		26,358	8,869	1,247
Operating lease liabilities, non-current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB1,942 and RMB6,522 as of June 30, 2021 and 2022, respectively)	10	1,942	6,566	923
Deferred tax liabilities (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB8,168 and nil as of June 30, 2021 and 2022, respectively)		8,168	—	—
Total non-current liabilities		**36,468**	**15,435**	**2,170**
TOTAL LIABILITIES		**609,732**	**728,652**	**102,433**
Commitments and contingencies	20			

QUANTASING GROUP LIMITED

CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	As of June 30, 2021 RMB	As of June 30, 2022 RMB	As of June 30, 2022 US$ Note 2(e)
MEZZANINE EQUITY	16			
Series A convertible redeemable preferred shares (US$0.0001 par value, 22,000,000 shares authorized, issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021)		—	82,002	11,528
Series B convertible redeemable preferred shares (US$0.0001 par value, 23,983,789 shares authorized, issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021)		—	94,833	13,331
Series B-1 convertible redeemable preferred shares (US$0.0001 par value, 7,913,872 shares authorized, issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021)		—	33,612	4,725
Series C convertible redeemable preferred shares (US$0.0001 par value, 20,327,789 shares authorized, issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021)		—	108,892	15,308
Series D convertible redeemable preferred shares (US$0.0001 par value, 11,818,754 shares authorized, issued and outstanding as of June 30, 2022; no shares authorized issued and outstanding as of June 30, 2021)		—	104,156	14,642
Series E convertible redeemable preferred shares (US$0.0001 par value, 14,799,427 shares authorized, issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021)		—	240,665	33,832
TOTAL MEZZANINE EQUITY		**—**	**664,160**	**93,366**
INVESTED DEFICIT / SHAREHOLDERS' DEFICIT				
Parent Company's investment deficit		(279,506)	—	—
Class A ordinary shares (US$0.0001 par value; 345,113,731 shares authorized, 4,783,589 shares issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021)	15	—	3	—
Class B ordinary shares (US$0.0001 par value; 54,042,638 shares authorized, 49,859,049 shares issued and outstanding as of June 30, 2022; no shares authorized, issued and outstanding as of June 30, 2021).	15	—	29	4
Additional paid-in capital		—	69,934	9,832
Accumulated other comprehensive income		—	1,839	258
Accumulative deficit		—	(861,151)	(121,059)
TOTAL INVESTED DEFICIT / SHAREHOLDERS' DEFICIT		**(279,506)**	**(789,346)**	**(110,965)**
TOTAL LIABILITIES, MEZZANINE EQUITY AND INVESTED DEFICIT / SHAREHOLDERS' DEFICIT		**330,226**	**603,466**	**84,834**

The accompanying notes are an integral part of these consolidated financial statements.

QUANTASING GROUP LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	For the years ended June 30, 2021	2022	2022
		RMB	RMB	US$ Note 2(e)
Revenues (including revenue from related parties of nil and RMB44,710 for the years ended June 30, 2021 and 2022, respectively)	2(q)	**1,759,940**	**2,867,974**	**403,173**
Cost of revenues		(178,927)	(408,757)	(57,462)
Gross Profit		**1,581,013**	**2,459,217**	**345,711**
Operating expenses:				
Sales and marketing expenses		(1,694,941)	(2,254,459)	(316,927)
Research and development expenses		(116,265)	(273,484)	(38,446)
General and administrative expenses		(100,341)	(166,650)	(23,427)
Total operating expenses		**(1,911,547)**	**(2,694,593)**	**(378,800)**
Loss from operations		**(330,534)**	**(235,376)**	**(33,089)**
Other income:				
Interest income		441	387	54
Others, net	13	15,093	19,913	2,799
Loss before income tax		**(315,000)**	**(215,076)**	**(30,236)**
Income tax expense	12	(1,037)	(18,350)	(2,580)
Net loss		**(316,037)**	**(233,426)**	**(32,816)**
Other comprehensive income				
Foreign currency translation adjustments, net of nil tax		—	1,839	259
Total other comprehensive income		**—**	**1,839**	**259**
Total comprehensive loss		**(316,037)**	**(231,587)**	**(32,557)**
Net loss		**(316,037)**	**(233,426)**	**(32,816)**
Allocation of accretion of Predecessors' preferred shares	17	(17,480)	(22,655)	(3,185)
Allocation of deemed dividends due to extinguishment of Predecessors' preferred shares	17	(197,436)	—	—
Accretion of the Company's preferred shares	16,17	—	(2,987)	(420)
Net loss attributable to ordinary shareholders of QuantaSing Group Limited		**(530,953)**	**(259,068)**	**(36,421)**
Net loss per ordinary share				
—Basic	17	(12.89)	(5.26)	(0.74)
—Diluted	17	(12.89)	(5.26)	(0.74)
Weighted average number of ordinary shares used in computing net loss per share				
—Basic	17	41,206,648	49,270,950	49,270,950
—Diluted	17	41,206,648	49,270,950	49,270,950
Share-based compensation expenses included in	14			
Cost of revenues		(6,277)	(27,583)	(3,878)
Sales and marketing expenses		(23,973)	(86,682)	(12,185)
Research and development expenses		(48,715)	(120,558)	(16,948)
General and administrative expenses		(22,865)	(56,606)	(7,957)

The accompanying notes are an integral part of these consolidated financial statements.

QUANTASING GROUP LIMITED

CONSOLIDATED STATEMENTS OF CHANGES IN INVESTED DEFICIT / SHAREHOLDERS' DEFICIT
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	Note	Class A ordinary shares		Class B ordinary shares		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Parent Company's investment deficit	Total invested deficit / shareholders' deficit
		Shares	Amount	Shares	Amount					
			RMB		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of July 1, 2020		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(28,258)**	**(28,258)**
Share-based compensation	14	—	—	—	—	—	—	—	94,028	94,028
Repurchase of vested restricted shares	14	—	—	—	—	—	—	—	(5,638)	(5,638)
Distribution to Parent Company		—	—	—	—	—	—	—	(23,601)	(23,601)
Net loss		—	—	—	—	—	—	—	(316,037)	(316,037)
Balance as of June 30, 2021		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(279,506)**	**(279,506)**
Balance as of July 1, 2021		**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(279,506)**	**(279,506)**
Issuance of the Company's shares upon the completion of the reorganization	1(b)	600,000	—	54,042,638	32	—	—	(660,099)	(1,106)	(661,173)
Share-based compensation	14	—	—	—	—	72,921	—	—	218,508	291,429
Parent Company's contribution	1(b)	—	—	—	—	—	—	—	94,978	94,978
Dividend to Parent Company upon disposal of a subsidiary to shareholders	19	—	—	—	—	—	—	—	(500)	(500)
Re-designation of Class B ordinary shares to Class A ordinary shares of the Company		4,183,589	3	(4,183,589)	(3)	—	—	—	—	—
Accretion of the Company's preferred shares	16	—	—	—	—	(2,987)	—	—	—	(2,987)
Net loss		—	—	—	—	—	—	(201,052)	(32,374)	(233,426)
Currency translation differences		—	—	—	—	—	1,839	—	—	1,839
Share-based awards to employees of related parties	14	—	—	—	—	10,365	—	—	—	10,365
Deemed dividends to Parent Company in connection with the share-based awards to employees of related parties	14	—	—	—	—	(10,365)	—	—	—	(10,365)
Balance as of June 30, 2022		**4,783,589**	**3**	**49,859,049**	**29**	**69,934**	**1,839**	**(861,151)**	**—**	**(789,346)**

The accompanying notes are an integral part of these consolidated financial statements.

QUANTASING GROUP LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	For the years ended June 30,		
	2021	2022	2022
	RMB	RMB	US$ Note 2(e)
Cash flows from operating activities:			
Net loss	(316,037)	(233,426)	(32,816)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Fair value changes of short-term investments	(629)	(3)	—
Provision/(Reversal) of allowance for expected credit losses	442	(239)	(34)
Depreciation of property and equipment	1,397	4,016	565
Amortization of intangible assets	6,025	6,579	925
Loss on disposal of property, equipment and intangible assets	—	124	17
Realized gains from short-term investments	(1,771)	(4,891)	(688)
Share-based compensation	101,830	291,429	40,968
Changes in operating assets and liabilities:			
Accounts receivable	(98,885)	55,351	7,781
Amounts due from related parties	—	(23,202)	(3,262)
Prepayments and other current assets	(96,774)	(4,480)	(630)
Deferred tax liabilities	(1,266)	(1,446)	(203)
Operating lease right-of-use assets	(8,924)	(14,573)	(2,049)
Accounts payables	62,137	2,633	370
Accrued expenses and other current liabilities	54,525	61,046	8,582
Income tax payable	2,303	5,035	708
Contract liabilities	253,573	99,511	13,989
Advance from customers	118,992	17,888	2,515
Operating lease liabilities, current portion	6,647	9,203	1,294
Operating lease liabilities, non-current portion	1,942	4,624	650
Other non-current assets	(6,102)	(2,543)	(357)
Net cash provided by operating activities	**79,425**	**272,636**	**38,325**

QUANTASING GROUP LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	For the years ended June 30,		
	2021	2022	2022
	RMB	RMB	US$ Note 2(e)
Cash flows from investing activities:			
Purchase of short-term investments	(434,600)	(976,700)	(137,302)
Proceeds from short-term investments	405,600	873,700	122,823
Purchase of property and equipment	(5,822)	(4,560)	(641)
Purchase of intangible assets	(29,804)	—	—
Investment income from wealth management products	1,771	4,891	688
Disposal of subsidiaries	—	14,126	1,986
Loan provided to related parties	(2,448)	(129,427)	(18,195)
Loan repaid by related parties	2,950	109,389	15,378
Net cash used in investing activities	**(62,353)**	**(108,581)**	**(15,263)**
Cash flows from financing activities:			
(Distribution to) / Contribution from Predecessors	(37,041)	94,978	13,352
Proceeds from loans from Predecessors	52,711	122,833	17,268
Repayment of loans to the Predecessors	(36,763)	(146,182)	(20,550)
Net cash (used in)/ provided by financing activities	**(21,093)**	**71,629**	**10,070**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	5,642	793
Net (decrease)/ increase in cash, cash equivalents and restricted cash	**(4,021)**	**241,326**	**33,925**
Cash, cash equivalents and restricted cash at beginning of the year	**29,122**	**25,101**	**3,529**
Including:			
Cash and cash equivalents at beginning of the year	29,095	25,101	3,529
Restricted cash at beginning of the year	27	—	—
Cash, cash equivalents and restricted cash at end of the year	**25,101**	**266,427**	**37,454**
Including:			
Cash and cash equivalents at end of the year	25,101	266,427	37,454
Restricted cash at end of the year	—	—	—
Supplemental disclosure of cash flow information			
Cash paid for income tax	—	(14,761)	(2,075)
Non-cash investing and financing activities			
Consideration receivable as a result of disposal of subsidiaries	—	2,000	281
Accretion of the Company's preferred shares	—	(2,987)	(420)

The accompanying notes are an integral part of these consolidated financial statements.

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share data and per share data, or otherwise noted)

1. Organization and principal activities

(a) Nature of operations

QuantaSing Group Limited (the "Company" or "QuantaSing") was incorporated in the Cayman Islands on February 9, 2022 as an exempted company with limited liability.

The Company is a newly incorporated investment holding company. The Company's predecessors were Witty network Limited ("Witty network", or "WN"), and EW Technology Limited ("EW") (collectively referred to as the "Predecessors"), both of which were incorporated in the Cayman Islands. The Company (and its Predecessors prior to the reorganization), through its subsidiaries and the consolidated variable interest entities ("VIEs") for which the Company (and its Predecessors) has a controlling financial interest and is the primary beneficiary (together, the "Group"), is principally engaged in the operation of an online platform to provide individual online learning services to the individual learners and enterprise services to financial intermediary enterprises (the "Listing Businesses") in the People's Republic of China (the "PRC", references to "PRC" are to the People's Republic of China, excluding, for the purposes of the financial statements only, Taiwan, Hong Kong and Macau).

The Company became the ultimate holding company of the subsidiaries and ultimate beneficial owner of the VIE comprising the Group upon the completion of the reorganization as described in Note 1 (b).

(b) Reorganization

In preparation for the initial listing of the Company's shares (the "Listing"), a group reorganization was undertaken pursuant to which the Listing Businesses were transferred to a new holding structure under the Company (the "Reorganization").

Step 1 Reorganization

WN was incorporated on January 13, 2017 and undertook a series of financing activities by issuing preferred shares to institutional investors and granted share options to its employees. WN operated its business in the PRC through its subsidiaries and the consolidated VIEs (collectively, the "WN Group"). WN Group operated certain non-listing businesses (the "Old Business") which was discontinued by the end of June 2019. Since July 2019, WN Group shifted its business strategy and started to operate the Listing Businesses.

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

Main subsidiaries and consolidated VIEs of WN included:

	Date of incorporation	Place of incorporation	Percentage of direct or indirect economic interest	Principal activities
Wholly owned subsidiaries:				
Beijing Erwan Technology Limited ("Beijing Erwan", or the "WN WFOE")	March 27, 2017	The PRC	100%	Investment holding
VIEs:				
Feierlai (Beijing) Technology Limited ("Beijing Feierlai", or the "VIE 1", or the "VIE" after the Reorganization)	July 27, 2016	The PRC	100%*	Listing Businesses
Beijing Dianfengtongdao Technology Limited ("Beijing Dianfeng", or the "VIE 2")	April 25, 2017	The PRC	100%*	Listing Businesses, Old Business

* WN WFOE had 100% of beneficial interests in these consolidated VIEs.

EW was incorporated on April 15, 2021. EW, together with its subsidiaries and the consolidated VIE (collectively, the "EW Group") are established to enable a reorganization, through which they assumed the Listing Businesses previously operated by WN Group (the "Step 1 Reorganization").

To effect the Step 1 Reorganization, the following steps were undertaken:

(a) During the period from February to May 2021, EW, through its subsidiaries in the BVI and Hong Kong, created a subsidiary, Beijing Liangzizhige Technology Limited ("Beijing Liangzi", or the "EW WFOE", or the "WFOE") in the PRC.

(b) On May 20, 2021, the EW WFOE, VIE 1, and legal shareholder of VIE 1, which is an entity controlled by Mr. Peng Li, the founder of the Group (the "Founder"), entered into a series of new contractual arrangements, which enables EW WFOE to consolidate VIE 1.

(c) Certain key employees, contracts, operating assets and liabilities of the WN WFOE, VIE 2 and its subsidiaries related to Listing Businesses were transferred to EW WFOE and VIE 1. However, there continued to have small amount of Listing Businesses in WN Group after May 2021.

(d) EW issued ordinary shares and preferred shares on May 31, 2021 to mirror the number and terms of ordinary shares and preferred shares originally issued by WN. EW also issued share options to mirror the number of the share options originally granted by WN (Refer to Note 14 for the modification of the vesting terms of the share options).

The Step 1 Reorganization was completed on May 31, 2021.

After the Step 1 Reorganization, EW Group developed insurance brokerage business (the "Brokerage Business") in addition to the Listing Businesses. Brokerage Business was conducted through Beijing ChangYou Star Network Technology Co., Ltd. ("Changyou Star"), a subsidiary of VIE 1 established for investment holding, and its subsidiary Beijing Baichuan Insurance Brokerage Co., Ltd. (collectively referred to as "Baichuan").

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

Step 2 Reorganization

On February 9, 2022, the Company was incorporated in the Cayman Islands. The Company was established to enable another reorganization, through which it assumed the Listing Businesses previously operated by EW Group and WN Group (the "Step 2 Reorganization").

To effect the Step 2 Reorganization, the following steps were undertaken:

(a) On March 1, 2022, the VIE 1 disposed of its interest in Baichuan to an entity controlled by the Founder, who in turn was holding the interest in this subsidiary on behalf of all shareholders of the Company.

(b) On May 16, 2022, EW transferred all equity interest in its BVI subsidiary, which holds EW WFOE and controlling financial interest in VIE 1 and its subsidiaries, to the Company. As a result, the Company in return became the ultimate holding company of the subsidiaries and the consolidated VIE conducing the Listing Businesses.

(c) The portion of the Listing Businesses remained in WN Group (including those operated through WN WFOE, VIE 2 and its subsidiaries) was also transferred to the Company's subsidiaries and the consolidated VIE (including its subsidiaries).

(d) On May 31, 2022, certain ordinary shares and preferred shares of the Company were issued in connection with the Step 2 Reorganization to mirror the number and terms of ordinary shares and preferred shares originally issued by EW. The share options of the Company were also issued in connection with the Step 2 Reorganization to mirror the number and vesting terms of the share options originally granted by EW.

The Step 2 Reorganization was completed on May 31, 2022.

Upon completion of the Reorganization, the ownership structure of the subsidiaries and the consolidated VIE of the Group is as follows:

	Date of incorporation	Place of incorporation	Percentage of direct or indirect economic interest	Principal activities
The Company:				
QuantaSing Group Limited ("Company"/"QuantaSing")	February 9, 2022	The Cayman Islands	Holding company	Investment holding
Wholly owned subsidiaries (offshore):				
Hundreds of Mountains Limited	March 22, 2021	The BVI	100%	Investment holding
Witty Digital Technology Limited	March 29, 2021	Hong Kong	100%	Investment holding
Wholly owned subsidiaries (onshore):				
Beijing Liangzizhige Technology Limited. (the "EW WFOE", or the "WFOE" after the Reorganization)	March 19, 2021	The PRC	100%	Investment holding

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	Date of incorporation	Place of incorporation	Percentage of direct or indirect economic interest	Principal activities
VIE:				
Feierlai (Beijing) Technology Co., Ltd. ("Beijing Feierlai", or the "VIE 1", or the "VIE" after the Reorganization)	July 27, 2016	The PRC	100%*	Listing Businesses
VIE's subsidiaries:				
Beijing Shijiwanhe Information Consulting Limited	August 28, 2019	The PRC	100%*	Listing Businesses
Beijing Denggaoerge Network Technology Limited	December 24, 2020	The PRC	100%*	Listing Businesses

* The WFOE has 100% of beneficial interests in the consolidated VIE (including its subsidiaries).

Basis of Presentation for the Reorganization

The Reorganization consists of transferring the Listing Businesses to the Group, which is owned by the same group of shareholders (collectively referred to as the "Parent Company") of the Company and the Predecessors immediately before and after the Reorganization. Both Step 1 Reorganization and Step 2 Reorganization are considered as a non-substantive capital transaction of the Listing Businesses, as the shareholder ownership percentages immediately before and after these two steps of the Reorganizations were the same. Accordingly, the Reorganization is accounted for in a manner similar to a common control transaction because it is determined that the transfers lack economic substance. Therefore, the accompanying consolidated financial statements of the Group include the assets, liabilities, revenue, expenses, and cash flows that are directly attributable to the Listing Businesses for the periods presented and are prepared as if the corporate structure of the Company after the Reorganization had been in existence throughout the periods presented.

The assets and liabilities are generally stated at historical carrying amounts. Those assets and liabilities that are specifically related to the Listing Businesses are included in the Group's consolidated balance sheets. Income tax payable is calculated on a separate return basis as if the Group had filed separate tax returns. The Group's statement of operations and comprehensive loss consists of all the revenues, costs, and expenses of the Listing Businesses, including allocations to the cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses, which were incurred by the Predecessors but related to the Listing Businesses. These allocated costs and expenses are primarily related to office rental expenses, office utilities, information technology support and certain corporate functions, including senior management, finance, legal and human resources, as well as share-based compensation expenses.

Generally, the costs and expenses identified as relating to the Listing Businesses were allocated to the Group; the costs of shared employees were allocated to the Group based on the Group's headcount as a proportion of total headcount in the Predecessors group; share based compensation expenses were allocated to the Group based on the compensation expenses attributable to employees of the Listing Businesses. These

(All amounts in thousands, except for share data and per share data, or otherwise noted)

allocations are made on a basis considered reasonable by management. Such presentation may not necessarily reflect the results of operations, financial position and cash flows of the Group had it existed on a stand-alone basis during the period presented.

The following tables set forth the cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses allocated from the Predecessors for the years ended June 30, 2021 and 2022:

For the year ended June 30, 2021:	Share based compensation RMB	Others RMB	Total RMB
Cost of revenues	6,277	169,440	175,717
Sales and marketing expenses	23,973	271,248	295,221
Research and development expenses	48,715	38,801	87,516
General and administrative expenses	22,865	34,355	57,220
Total	**101,830**	**513,844**	**615,674**

Out of the total costs and expenses of RMB615,674 allocated from the Predecessors for the year ended June 30, 2021, RMB101,830 is for share based compensation expenses which are recorded as a contribution from the Predecessors. The remaining allocated expenses of RMB513,844 were deemed to be a contribution from the Predecessors as they were agreed to be waived by Predecessors.

For the year ended June 30, 2022:	Share based compensation RMB	Others RMB	Total RMB
Cost of revenues	10,984	77	11,061
Sales and marketing expenses	32,406	7,172	39,578
Research and development expenses	30,986	338	31,324
General and administrative expenses	26,612	2,065	28,677
Total	**100,988**	**9,652**	**110,640**

Out of the total costs and expenses of RMB110,640 allocated from the Predecessors for the year ended June 30, 2022, RMB100,988 is for share based compensation expenses which are recorded as a contribution from the Predecessors. The remaining allocated expenses of RMB9,652 were deemed to be a contribution from the Predecessors as they were agreed to be waived by Predecessors.

As the Reorganization qualifies as a non-substantive transaction with high degree of common ownership, the carrying value of the equity of the Listing Businesses immediately before the Step 2 Reorganization was carried forward to the total equity of the Company immediately after the Reorganization. Considering that a material part of the Listing Businesses was a carve-out business of a larger entity, the Company has determined it was most appropriate not to retrospectively adjust the equity structure for periods before the Step 2 Reorganization completion date, and that the Company's equity other than accumulated other comprehensive income/(loss) was presented as a single financial statement line item as "Parent Company's investment" in the balance sheets, and the contribution from or distribution to Predecessors were presented as "Parent Company's contribution" or "Distribution to Parent Company" in the statements of changes in invested deficit. The Company did not record any ordinary shares or preferred shares on its balance sheet before the Step 2 Reorganization completion.

Upon the date of completion of the Step 2 Reorganization, the following equity line items were initially recognized as follows: (i) ordinary shares based on par value of the shares; (ii) preferred shares based on the

portion of the historical carrying value of the Predecessors' preferred shares attributable to the Listing Businesses using a relative fair value method; (iii) the accumulated deficit was presented based on Listing Businesses' historical earnings or losses; and (iv) with the amounts allocated to ordinary shares and preferred shares, the debit was recorded in the accumulated deficit. Refer to Note 15 and Note 16 for details of ordinary shares and preferred shares.

In computing basic and diluted loss per share for all of the periods presented, the Reorganization was accounted for in a manner similar to a stock split or stock dividend. Thus, the number of the ordinary shares and preferred shares newly issued by the Company was retrospectively included since the beginning of the earliest period presented or the original issuance date of particular classes of shares by Predecessors, whichever is later, for the purpose of calculating the loss per ordinary share for the period before completion of the Reorganization. Accretion and deemed dividend incurred by Predecessors' preferred shares were allocated to the Listing Businesses based on the relative fair value of the Listing Businesses and the Predecessors group. Refer to Note 17 for details.

For purposes of presentation in the consolidated statements of cash flows, the cash flow from Predecessors to support the Listing Businesses is presented as contribution from Predecessors or Proceeds from loans from Predecessors depending on whether they were agreed to be waived by Predecessors, which is included in cash flows from financing activities.

(c) Variable interest entity (including the portion of Listing Businesses in the VIE 2 before the Reorganization)

(1) Summary of the VIE contractual arrangements (the "VIE Contractual Agreements")

The Company's subsidiary Beijing Liangzizhige Technology Limited, or the WFOE, has entered into contractual arrangements with the VIE and its shareholder described below, which are referred to as the VIE Contractual Agreements. Through the VIE Contractual Agreements, the Company is able to consolidate the financial statements of the VIE and receives substantially all its economic benefits and residual returns. The VIE Contractual Agreements was effective on May 20, 2021. Prior to the VIE Contractual Agreements, the WN WFOE also entered into similar contractual arrangements with the VIE 1 and VIE 2, and their shareholders, the terms of which are substantially the same as the VIE Contractual Agreements. The contractual agreements among WN WFOE, VIE 1 and its shareholder were terminated immediately before the effectiveness of the VIE Contractual Agreements.

Voting Rights Proxy Agreement

Pursuant to the voting rights proxy agreement entered into by and among the WFOE, the VIE and its shareholder, the shareholder of the VIE irrevocably appointed and authorized the WFOE or its designee(s) to act on its behalf as exclusive agent and attorney, to the extent permitted by PRC law, with respect to all matters concerning all equity interests held by such shareholder in the VIE, including but not limited to the power to (1) attend shareholders' meetings, (2) exercise all shareholder's rights and shareholder's voting rights that it is entitled under relevant PRC laws and regulations and the articles of association of the VIE, including but not limited to the right to sell, transfer, pledge or dispose of all the equity interests held in part or in whole, and (3) designate and appoint on its behalf the legal representative, directors, supervisors, chief executive officer and other senior management members of the VIE. The voting rights proxy agreement is irrevocable and continuously effective from the execution date until the entire equity interests in the VIE have been transferred to the WFOE or its designee pursuant to the exclusive option agreement or unless otherwise agreed to with written consent by all parties.

Exclusive consultancy and service agreement

Pursuant to the exclusive consultancy and service agreement entered into by and between the WFOE and the VIE, the WFOE has the exclusive right, during the term of the exclusive consultancy and service agreement, to provide or designate its affiliates to provide complete business support and technical and consulting services to the VIE. In exchange, the VIE shall pay the WFOE in an amount equals to the VIE's revenues minus any turnover tax, total costs incurred by the VIE, any provisions for statutory reserves and retained earnings, which should be paid on a quarterly basis. The retained earnings should be zero unless the WFOE agrees in writing for any other amount. The WFOE has the right to adjust the above service fee at its sole discretion without prior consent of the VIE. The WFOE shall have exclusive and proprietary rights and interests in all rights, ownership, interests and intellectual properties arising out of or created during the performance of the agreement. The exclusive consultancy and service agreements shall remain effective for ten years from the execution date and shall be extended for another ten years unless confirmed otherwise in writing by the WFOE within three months prior to the expiration date.

Exclusive option agreement

Under the exclusive option agreement entered into by and between the WFOE, the VIE and its shareholder, the shareholder of the VIE irrevocably granted the WFOE an exclusive right to purchase, or designate any third-party to purchase, all of its equity interests in the VIE at any time in part or in whole at the sole and absolute discretion of the WFOE to the extent permitted by PRC law and at a purchase price equal to the lowest price permitted by the then-applicable PRC law and regulations at the time of exercise of the options. The shareholder of the VIE shall give all considerations it received within 10 days from the exercise of the options to the WFOE or its designee(s). Without the prior written consent of the WFOE, the VIE and/or its shareholder shall not, among others (1) transfer or otherwise dispose of any equity, assets or business of the VIE, or create any pledge or encumbrance on any equity, assets or business of the VIE, (2) increase or decrease the VIE's registered capital or change its structure of registered capital, (3) sell, transfer, mortgage, or dispose of in any other manner outside of ordinary course of business any assets of the VIE or any legal or beneficial interests in the material business or revenues of the VIE, or allow any encumbrances thereon of any security interests, (4) enter into any major contracts or terminate any material contracts to which the VIE is a party, or enter into any other contract that may result in any conflicts with the VIE's existing materials contacts, (5) carry out any transactions that may substantially affect the VIE's assets, business operations, shareholding structure, or equity investment in third-party entities, (6) appointment or replacement of any director, supervisor, or any management who could be appointed or dismissed by shareholder of the VIE, (7) declare or distribute dividends, (8) dissolute or liquate or terminate the VIE, (9) amend the VIE's articles of association, or (10) allow the VIE to incur any borrowings or loans. This agreement shall remain in effect until all equity interests in the VIE have been transferred to the WFOE and/or its designee(s) pursuant to this agreement.

Equity pledge agreement

Under the equity pledge agreement entered into by and among the WFOE, the VIE and its shareholder, the shareholder of the VIE agrees to pledge all of its equity interests in the VIE to the WFOE as security for performance of the respective obligations of the VIE and its shareholder hereunder and under the exclusive option agreement, the voting rights proxy agreement and the exclusive consultancy and service agreement, and for payment of all the losses and losses of anticipated profits suffered by the WFOE as a result of the VIE or its shareholder's defaults. If any of the VIE or its shareholder

breach its contractual obligations, such WFOE, as the pledgees, may, upon issuing written notice, exercise certain remedy measures, including but not limited to being paid in priority with all pledged equity interests based on monetary evaluation or from the proceeds from auction or sale. The shareholder of the VIE agrees that, without the WFOE's prior written consent, the shareholder of the VIE shall not transfer the pledged equity interests or place or permit the existence of any security interests or other encumbrances over the pledged equity interest. The WFOE may assign all or any of its rights and obligations under the share pledge agreement to its designee(s) at any time. The equity pledge agreement pledge will become effective on the date thereof and will remain in effect until the fulfillment of all the obligations hereunder and under the exclusive option agreement, the voting rights proxy agreement and the exclusive consultancy and service agreement and the full payment of all the losses and losses of anticipated profits suffered by the relevant WFOE as a result the VIE or its shareholder's default.

(2) Risks in relation to the VIE structure

The Group's business is conducted through the VIE (including its subsidiaries, and including the portion of Listing Businesses in the VIE 2 and its subsidiaries) of the Group, of which the Company (and its Predecessors before the Reorganization) is the ultimate primary beneficiary. The Company has concluded that (i) the ownership structure of the VIE is not in violation of any applicable PRC laws or regulations currently in effect and (ii) each of the VIE Contractual Agreements is valid, binding, and enforceable in accordance with their terms and applicable PRC laws or regulations currently in effect. However, uncertainties in the PRC legal system could cause the relevant regulatory authorities to find the current VIE Contractual Agreements and the legal structure to be in violation of any existing or future PRC laws or regulations.

On March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which became effective on January 1, 2020, together with their implementation rules and ancillary regulations. The Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, but it contains a catch-all provision under the definition of "foreign investment", which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. It is unclear whether the Group's corporate structure will be seen as violating the foreign investment rules as the Group is currently leveraging the contractual arrangements to operate certain business in which foreign investors are prohibited from or restricted to investing. If variable interest entities fall within the definition of foreign investment entities, the Group's ability to use the contractual arrangements with the VIE and the Group's ability to conduct business through the VIE could be severely limited.

In addition, if the Group's corporate structure and the contractual arrangements with the VIE through which the Group conducts its business in the PRC were found to be in violation of any existing or future PRC laws and regulations, the Group's relevant PRC regulatory authorities could:

- revoke the business licenses and/or operating licenses of the Group's PRC entities;
- impose fines;
- confiscate any income that they deem to be obtained through illegal operations, or impose other requirements with which the Group may not be able to comply;
- discontinue or place restrictions or onerous conditions on the Group's operations;
- place restrictions on the right to collect revenues;
- shut down the Group's servers or block the Group's mobile app;

- require the Group to restructure ownership structure or operations, including terminating the contractual arrangements with the VIE and deregistering the equity pledges of the VIE, which in turn would affect the ability to consolidate, derive economic interests from the VIE and their subsidiaries;
- restrict or prohibit the use of the proceeds from financing activities to finance the business and operations of the VIE and their subsidiaries; or
- take other regulatory or enforcement actions that could be harmful to the Group's business.

The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct the Group's business. In addition, if the imposition of any of these penalties causes the Group to lose the rights to direct the activities of the VIE or the right to receive its economic benefits, the Group would no longer be able to consolidate the VIE. The management believes that the likelihood for the Group to lose such ability is remote based on current facts and circumstances. However, the interpretation and implementation of the laws and regulations in the PRC and their application to an effect on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect, and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to rapidly evolve, it may lead to changes in PRC laws, regulations, and policies or in the interpretation and application of existing laws, regulations, and policies, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIE or the shareholder of the VIE fail to perform their obligations under those arrangements. In addition, shareholder of the VIE is a PRC holding entity beneficially owned by the Founder, chairman of the board of directors and chief executive officer of the Company. The enforceability, and therefore the benefits, of the contractual agreements between the Company and the VIE depend on shareholder enforcing the contracts. There is a risk that shareholder of VIE, who in some cases is also shareholder of the Company may have conflict of interests with the Company in the future or fails to perform their contractual obligations. Given the significance and importance of the VIE, there would be a significant negative impact to the Company if these contracts were not enforced.

The Group's operations depend on the VIE to honor their contractual agreements with the Group and the enforceability, and therefore the benefits, of the contractual agreements also depends on the authorization by the shareholder of the VIE to exercise voting rights on all matters requiring shareholder approval in the VIE. The Company believes that the agreements on authorization to exercise shareholder's voting power are enforceable against each party thereto in accordance with their terms and applicable PRC laws or regulations currently in effect and the possibility that it will no longer be able to be the primary beneficiary and consolidate the VIE as a result of the aforementioned risks and uncertainties is remote.

In accordance with VIE Contractual Agreements, the Company (1) could exercise all shareholder's rights of the VIE and has power to direct the activities that most significantly affects the economic performance of the VIE, and (2) receive the economic benefits of the VIE that could be significant to the VIE. Accordingly, the Company is considered as the ultimate primary beneficiary of the VIE and has consolidated the VIE's financial results of operations, assets, and liabilities in the Company's consolidated financial statements. Therefore, the Company considers that there are no assets in the VIE that can be used only to settle obligations of the VIE, except for the paid-in capital of the VIE amounting to approximately nil and nil as of June 30, 2021 and 2022, as well as certain non-distributable statutory reserves amounting to approximately nil and nil as of June 30, 2021 and

(All amounts in thousands, except for share data and per share data, or otherwise noted)

2022. As the VIE are incorporated as limited liability companies under the PRC Company Law, creditors do not have recourse to the general credit of the Company for the liabilities of the VIE. There is currently no contractual arrangement that would require the Company to provide additional financial support to the VIE. As the Group is conducting certain business in the PRC through the VIE, the Group may provide additional financial support on a discretionary basis in the future, which could expose the Group to a loss.

The VIE holds assets with no carrying value in the consolidated balance sheet that are important to the Company's ability to produce revenue (referred to as unrecognized revenue-producing assets). Unrecognized revenue-producing assets held by the VIE include self-developed App named Qiniu (rebranded from KuaiCai), QianChi (rebranded from BanCai) and Jiangzhen, self-developed courses.

The following consolidated financial information of the VIE after the elimination of inter-company transactions between the VIE and the subsidiaries of the VIE, and including the portion of Listing Businesses in the VIE 2 and its subsidiaries, was included in the accompanying consolidated financial statements of the Group as follows:

	As of June 30,	
	2021	2022
	RMB	RMB
ASSETS		
Current assets:		
Cash and cash equivalents	24,726	83,449
Short-term investments	21,628	54,375
Accounts receivable, net	99,127	1,937
Amounts due from related parties	2,448	47,394
Amounts due from intra-Group companies	500	155,960
Prepayments and other current assets	115,223	111,790
Total current assets	**263,652**	**454,905**
Property and equipment, net	3,303	3,669
Intangible assets, net	33,332	—
Operating lease right-of-use assets	9,302	21,437
Other non-current assets	6,824	9,612
Total non-current assets	**52,761**	**34,718**
TOTAL ASSETS	**316,413**	**489,623**
Accounts payables	74,462	45,178
Accrued expenses and other current liabilities	51,765	77,616
Amounts due to related parties	7,000	—
Income tax payable	2,303	7,298
Contract liabilities, current portion	267,729	384,729
Advance from customers	133,201	151,089
Operating lease liabilities, current portion	7,091	14,875
Total current liabilities	**543,551**	**680,785**
Contract liabilities, non-current portion	26,358	8,869
Operating lease liabilities, non-current portion	1,942	6,522
Deferred tax liabilities	8,168	—
Total non-current liabilities	**36,468**	**15,391**
TOTAL LIABILITIES	**580,019**	**696,176**

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Revenues:		
- earned from third-party customers	1,759,793	2,822,508
- earned from a related party	—	44,710
Total revenues	**1,759,793**	**2,867,218**
Cost of revenues and operating expenses		
- arising from non intra-Group transactions	(1,814,446)	(2,576,144)
- arising from the intra-Group technical consulting and related service under VIE Contractual Agreements	(185,036)	(230,281)
Total cost of revenues and operating expenses	**(1,999,482)**	**(2,806,425)**
Net (loss)/income	**(225,042)**	**62,712**

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Cash flows from operating activities:		
Net cash provided by transactions with third-parties	253,874	495,719
Net cash used in transactions with intra-Group companies related to technical consulting and related service under VIE Contractual Agreements	(204,121)	(239,597)
Net cash provided by operating activities	**49,753**	**256,122**
Cash flows from investing activities:		
Net cash used in transactions with third-parties	(53,384)	(31,836)
Net cash used in transactions with related parties	(1,253)	(5,912)
Net cash used in transactions with intra-Group companies*	—	(155,960)
Net cash used in investing activities	**(54,637)**	**(193,708)**
Cash flows from financing activities:		
Net cash provided by/(used in) transactions with Predecessors	488	(3,691)
Net cash provided by/(used in) financing activities	**488**	**(3,691)**

* The VIE transferred RMB155,960 of its excess cash to the WFOE for cash management purpose.

2. Summary of significant accounting policies

(a) Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with U.S. GAAP. Significant accounting policies followed by the Group in the preparation of the accompanying consolidated financial statements are summarized below.

(b) Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries, and the consolidated VIE (including its subsidiaries).

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, has the power to direct the activities that most impact the entities' economic performance, bears the risks of, and enjoys the rewards normally associated with the controlling financial interest in the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entities.

All significant intercompany transactions and balances between the Company, its wholly owned subsidiaries and the consolidated VIE have been eliminated upon combination.

(c) Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities at the balance sheet date, and the reported revenues and expense during the reporting period and disclosed in the consolidated financial statements and accompanying notes.

Significant accounting estimates reflected in the Group's consolidated financial statements include, but are not limited to revenue recognition based on the expected learning period of the customers, provision of credit losses of receivables, fair value of short-term investments, impairment of long-lived assets, the valuation allowance of deferred tax assets, as well as the valuation and recognition of share-based compensation arrangements. Actual results could differ from those estimates and such differences may be material to the consolidated financial statements.

(d) Foreign currency translation

The Group's reporting currency is Renminbi ("RMB"). The functional currency of the Company and the Group's subsidiaries incorporated in the Cayman Islands, BVI and Hong Kong is United States dollars ("US$"). The Group's PRC subsidiaries determined their functional currency to be RMB. The determination of the respective functional currency is based on the criteria set out by ASC 830, Foreign Currency Matters.

Transactions denominated in foreign currencies other than functional currency are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies other than functional currency are remeasured into the functional currency at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from foreign currency transactions are recorded in the consolidated statements of operations and comprehensive loss.

The financial statements of the Group's non-PRC entities are translated from their respective functional currency into RMB. Assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Revenues, expenses, gains and losses are translated into RMB using the average exchange rates for the relevant period.

The resulting foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income/loss in the consolidated statement of changes in invested equity and a component of other comprehensive loss in the consolidated statement of operations and comprehensive loss.

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

(e) Convenience translation

Translations of the consolidated balance sheet, the consolidated statement of operations and comprehensive loss and the consolidated statement of cash flows from RMB into US$ as of and for the year ended June 30, 2022 are solely for the convenience of the readers and have been updated and calculated at the rate of US$1.00=RMB7.1135, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on September 30, 2022. No representation is made that the RMB amounts could have been, or could be, converted, realized, or settled into US$ at that rate on June 30, 2022, or at any other rate.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, time deposits, and funds held in deposit accounts with banks, which are highly liquid and have original maturities of three months or less and are unrestricted as to withdrawal or use.

(g) Accounts receivable

Accounts receivable is recorded at the invoiced amount and do not bear interest. Accounts receivable mainly represent marketing service fees receivable from insurance intermediaries and securities brokerage firms.

In June 2016, the FASB issued ASU No. 2016-13, “Financial Instruments–Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments”. The guidance replaced the incurred loss impairment methodology with an expected credit loss model for which an entity recognizes an allowance based on the estimate of expected credit losses.

The Group adopted this guidance on July 1, 2019 using a modified retrospective approach, and the adoption did not have a material impact on the consolidated financial statements. The Group’s other receivables which were recorded as a component of the prepaid expenses and other current assets and other non-current assets are within the scope of ASC Topic 326. To estimate expected credit losses, the Group has identified the relevant risk characteristics of its customers and the related receivables and other receivables which include size, type of the services or the products the Group provides, or a combination of these characteristics. Receivables with similar risk characteristics have been grouped into pools. For each pool, the Group considers the past collection experience, current economic conditions, future economic conditions (external data and macroeconomic factors) and changes in the Group’s customer collection trends. This is assessed at each quarter based on the Group’s specific facts and circumstances. The allowance for credit losses and corresponding receivables were written off when they are determined to be uncollectible.

(h) Fair value measurement

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices, in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of cash and cash equivalents, restricted cash, other assets, amounts due from a related party, amounts due to a related party, accounts payables and accruals expenses and other current liabilities approximates fair value because of their short-term nature.

Accounting guidance also describes three main approaches to measure the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

(i) Short-term investments

Short-term investments include wealth management product with variable interest rates or principal non-guaranteed with certain financial institutions. In accordance with ASC 825, Financial Instruments, for financial products with variable interest rates referenced to performance of underlying assets, the Group elected the fair value method at the date of initial recognition and carries these investments at fair value. Changes in the fair value of these investments are reflected in the consolidated statements of operations and comprehensive loss as investment income and included in "others, net". Fair value is estimated based on quoted prices of similar products provided by financial institutions at the end of each reporting period. The Group classifies these inputs as Level 2 fair value measurement.

(j) Prepayments and other current assets

Prepayments and other current assets mainly consist of prepayments for promotion fees and other service fees, prepaid input value-added tax, deposits, and receivables from third party payment platforms (see

Note 5). Prepayments and other current assets are stated at the historical carrying amount net of the allowance for credit losses. The Group reviews other assets on a periodic basis and makes allowances when there is doubt as to the collectability of individual balances. Other assets are written off when they are determined to be uncollectible.

(k) Property and equipment, net

Property and equipment are recorded at cost, less accumulated depreciation and impairment. Depreciation of property and equipment is calculated on a straight-line basis, after consideration of expected useful lives and estimated residual values. The Group has not recorded any impairments of property and equipment for the period presented. The estimated useful lives of these assets are generally as follows:

Category	Estimated useful life
Leasehold improvement	Shorter of the lease term or estimated economic life
Computer and electronic equipment	3 years

Repairs and maintenance costs are charged to expenses as incurred, whereas the costs of renewals and betterment that extend the useful lives of property, plant and equipment are capitalized as additions to the related assets. Gains and losses from the disposal of property and equipment are included in the consolidated statements of operations and comprehensive loss.

(l) Asset acquisition

When the Company acquires other entities, if the assets acquired and liabilities assumed do not constitute a business, the transaction is accounted for as an asset acquisition. Assets are recognized based on the cost, which generally includes the transaction costs of the asset acquisition, and no gain or loss is recognized unless the fair value of noncash assets given as consideration differs from the assets' carrying amounts on the Company's financial statements. The cost of a group of assets acquired in an asset acquisition is allocated to the individual assets acquired or liabilities assumed based on their relative fair value and does not give rise to goodwill.

(m) Intangible assets

Intangible assets are carried at cost, less accumulated amortization and impairment, if any. Amortization of finite-lived intangible assets is computed using the straight-line method over the estimated useful lives, which is as follows:

Category	Estimated useful life
Insurance brokerage license	52 months
Software	1 year to 2 years

(n) Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will affect the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future

undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. No impairment charge was recognized for the years ended June 30, 2021 and 2022.

(o) Operating Lease

The Group accounts for leases in accordance with ASC 842, Leases ("ASC 842"), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The Group adopted ASC 842 on July 1, 2019, along with all subsequent ASU clarifications and improvements that are applicable to the Group, to each lease that existed in the periods presented in the financial statements, using the modified retrospective transition method and used the commencement date of the leases as the date of initial application. Consequently, financial information and the disclosures required under ASC 842 are provided for dates and periods presented in the consolidated financial statements.

The Group has operating leases primarily for office space. The determination of whether an arrangement is a lease or contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Group obtains substantially all the economic benefits from and has the ability to direct the use of the asset. The Group elects not to apply the recognition requirements of ASC 842 to short-term leases. Variable lease payments are the payments made by a lessee to a lessor for the right to use an underlying asset that vary because of changes in facts or circumstances occurring after the commencement date, other than the passage of time. Variable lease payments are recorded in the period in which the obligation for the payment is incurred. Other operating leases are included in operating lease right-of-use assets, operating lease liabilities, current portion, and operating lease liabilities, non-current portion on the consolidated balance sheets.

The Group uses the implicit rate when readily determinable, or its incremental borrowing rate based on the information available, at the commencement date in determining the present value of lease payments. Certain leases include renewal options and/or termination options. Renewal options are included in the lease term if the Group is reasonably certain to exercise those options while options to terminate the lease are only included in the lease term if the Group is reasonably certain not to exercise those options. Lease expenses are recorded on a straight-line basis over the lease term.

(p) Business combinations

The Group accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities assumed by the Group to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total costs of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of operations and comprehensive loss. During the measurement period, which can be up to one year from the acquisition date, the Group may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded on the consolidated statements of operations and comprehensive loss.

The determination and allocation of fair values to the identifiable assets acquired, liabilities assumed and noncontrolling interests is based on various assumptions and valuation methodologies requiring considerable judgment from management. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. We determine discount rates to be used based on the risk inherent in the related activity's current business model and industry comparisons. Terminal values are based on the expected life of assets, forecasted life cycle and forecasted cash flows over that period.

In a business combination achieved in stages, the Group re-measures the previously held equity interests in the acquiree when obtaining control at its acquisition date fair value and the re-measurement gain or loss, if any, is recognized on the consolidated statements of operations and comprehensive loss.

When there is a change in ownership interests or a change in contractual arrangements that results in a loss of control of a subsidiary, the Company deconsolidates the subsidiary from the date control is lost. Any retained noncontrolling investment in the former subsidiary is measured at fair value and is included in the calculation of the gain or loss upon deconsolidation of the subsidiary.

(q) Revenue recognition

The Group is principally engaged in the operation of an online platform to provide individual online learning services to the individual learners and enterprise services to financial intermediary enterprises in the PRC.

Under ASC 606, the Group determined revenue recognition through the following steps:

– Identification of the contract, or contracts, with a customer;

– Identification of the performance obligations in the contract;

– Determination of the transaction price, including the constraint on variable consideration;

– Allocation of the transaction price to the performance obligations in the contract;

– Recognition of revenue when (or as) the Group satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, sales incentives, refunds and value-added taxes ("VAT") collected from customers and remitted to tax authorities. Revenue is recognized when or as the control of the services is transferred to the customer. If control of the services transfers over time, revenue is recognized over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines the standalone selling prices based on the prices charged to customers. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

The Group earns its revenues primarily by providing: (i) self-operated online learning services of premium courses to learners through its own online platforms and cooperated online learning services; (ii) enterprise services, including marketing and referral services to insurance intermediaries and securities brokerage firms; and (iii) other services.

(i) Online learning services

The online learning services provided by the Group principally include online financial literacy courses and other personal interest courses.

Self-operated online learning services

The self-operated online learning services refer to online courses whereby the course contents are designed and developed by the Group. The Group is responsible for fulfilling all obligations of the online course delivery according to its sales contracts with the learners. Therefore, the Group determines that the individual learners are the Group's customers and recognizes revenue on a gross basis.

The Group delivered the self-operated online courses through its own online platforms, including Qiniu (rebranded from KuaiCai), *QianChi* (rebranded from BanCai) and *JiangZhen*, and there are two modes of delivery, namely (i) online community-based training camps or (ii) self-study e-learnings. With respect to an online community-based training camp, it typically includes organized online interactions between the Group's tutors and the learners in a form of training camp communities, online access of pre-recorded lectures designated for the training camps and certain live broadcasting lectures. The Company considered that these elements in a training camp are not separately identifiable from each other, as the training camp represents the combined output for which the learners have contracted. With respect to a self-study e-learning, it is delivered in a form of pre-recorded lessons for the learners to self-study. The promise to provide access to all lessons of the self e-learnings is a series of distinct services as providing access each day is substantially the same. Therefore, each training camp and self-study e-learning is accounted for as a single performance obligation.

All contracts with the learners are billed in advance and upfront full payment of the fee by the learners is required prior to accessing any enrolled course contents. For sales of packages of training camps and self-study e-learnings of different online courses, the Company allocated the transaction price of the package to the different online courses therein based on their relative standalone selling price.

Revenues of a training camp and of a self-study e-learning are recognized over time as the learners simultaneously receives and consumes the benefits provided by the online courses as they retain access to the course contents.

Contractually, through accessing to the Group's online platforms, the learners retain access to the training camps or self-study e-learnings they purchased for a specified course period (typically 14 calendar days for a training camp and 90 calendar days for a self-study e-learning) since the training camp commencement date or the purchase date of the e-learnings. However, during the periods presented the Group in practice discretionally allows the learners to retain access to the course content beyond the corresponding contractual expiry dates. Therefore, the Group recognizes online course revenue ratably over the longer of the corresponding contractual service period and the estimated average learning period (the "Average Learning Period") of the learners, starting when the online courses can be accessed by the learners and the payments from the learners become non-refundable.

The Group considers a variety of relevant data when estimating the Average Learning Period of the learners for each individual online course, including the weighted-average number of days between the learners' first and last access to the course contents, and the weighted average total hours spent by the paying user to learn the course. The Group believes that considering these factors enables it to determine the best estimation of the time period during which the learners access the online course content and therefore the service period over which the Group provides services to the learners. For the track record period, the Average Learning Period of the learners is estimated to be in the range of one

to three months. While the Group believes its estimates to be reasonable based on the currently available learners information, it may revise such estimates in the future according to the change in pattern of the learners' learning behavior. Any adjustments arising from changes in the estimates of the Average Learning Periods is applied prospectively.

Cooperated online learning services

The Group generates revenue from cooperated online learning service by providing a platform through Jiangzhen, through which third party online learning service providers can offer their learning services to individual learners. The Group enters into contracts with the learners and also the third-party learning service providers. The Group is only responsible for referring the individual learners to the service provider, while the third-party learning service provider is responsible for developing the course content, delivering the online courses, providing customer support, and providing maintenance of servers allowing the users to access the contents. The Group determines that it is not the principal to the individual learners in this business and revenue is recognized on a net basis at the point in time when the referral service is completed.

(ii) Enterprise services

Revenue from enterprise services mainly includes marketing and referral fees earned from financial intermediary enterprises including insurance intermediaries and securities brokerage firms. The Group's online education content enables third party financial intermediary enterprises to place their sponsored links and reach learners who have desire to purchase insurance products, to open new security trading accounts, or to purchase other products or services provided by the financial intermediary enterprises.

Performance-based online marketing service contracts are signed between the Group and the financial intermediary enterprises to establish the service to be provided by the Group and relevant performance measures. The Group is responsible for referring the individual learners to the financial intermediary enterprises. No enterprise service contract is signed between the Group and the learners who click on the sponsored links.

The Group considered the third party financial intermediary enterprises as its customers, and recognized performance-based online marketing and referral service revenue at the point in time when the service is completed. The determination of the revenue from enterprise services is based on (i) the number of eligible leads referred to the financial intermediary enterprises and (ii) a percentage-based commission or standard unit price for each qualified lead referred. The eligible leads referred to an insurance intermediary are typically leads which successfully purchased insurance products through the insurance intermediary. The eligible leads to a securities brokerage firm are typically leads which successfully opened a brokerage account with the brokerage firm and satisfied quality requirements, including maintaining a minimum balance of average daily asset held by the referred learners in their brokerage accounts. For the variable considerations, the Group only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transactions will not occur.

(iii) Other services

Other services mainly consist of brokerage income from insurance brokerage services. The Group provides insurance brokerage services distributing various health and life insurance products on behalf of insurance companies (its customers). As an agent of the insurance company, the Group sells

insurance policies on behalf of the insurance company and earns brokerage commissions determined as a percentage of premiums paid by the insured. The Group has identified its promise to sell insurance policies on behalf of an insurance company as the performance obligation in its contracts with the insurance companies. The Group's performance obligation to the insurance company is satisfied and commission revenue is recognized at the point in time when an insurance policy becomes effective. For the variable considerations, the Group only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transactions will not occur.

Practical expedients

The Group has used the following practical expedients as allowed under ASC 606:

(i) The effects of a significant financing component have not been adjusted for contracts which the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(ii) The Group applied the portfolio approach in determining the learning period of the customers given that the effect of applying a portfolio approach to a group of learners' behaviors would not differ materially from considering each one of them individually.

(iii) The Group expenses the costs to obtain a contract as incurred when the expected amortization period is one year or less.

Contract balances

Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable represent amounts invoiced and revenue recognized prior to invoicing, when the Group has satisfied its performance obligations and has the unconditional right to payment.

Contract liabilities

Contract liability is related to the payments received by the Group in advance from customers for which the Group's revenue recognition criteria have not been met.

For online learning services, the service considerations are generally collected in advance and initially recorded as advance from customers during the contractual period where the Group allows the learners to ask for a full and unconditional refund. Subsequent to the expiry of the refund period, the balance of the advance from customers is reclassified as a contract liability.

Revenue recognized during the year ended June 30, 2021 and 2022 that was included in the contract liabilities balances at July 1, 2020 and 2021 amounted to approximately RMB40,514 and RMB267,729, respectively.

As of June 30, 2022, the aggregate amount of transaction price allocated to unsatisfied performance obligations is RMB393,598 which includes balances of contract liabilities which will be recognized as revenue in future periods. The Group expects to recognize RMB384,729 of this balance as revenue over the next 12 months.

Refund liabilities represent the consideration collected by the Group which it expects to refund to its customers according to refund policy. Refund liabilities are estimated based on the historical refund ratio for each of the revenue streams. In the event that the actual amount of refund made exceeds the estimation, such excessive amount will be deducted from net revenues.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

Revenue Disaggregation

The following table sets forth a breakdown of the Group's revenues disaggregated by business line:

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Online learning services		
- Financial literacy courses - self-operated	1,563,607	2,300,434
- Other personal interest courses	—	193,896
- self-operated	—	163,483
- cooperated	—	30,413
Subtotal	**1,563,607**	**2,494,330**
Enterprise services	144,308	185,511
Others	52,025	188,133
Total revenues	**1,759,940**	**2,867,974**

(r) Cost of revenues

Cost of revenues mainly consists of salaries and benefits (including share-based compensation expenses) of instructors and tutors who deliver premium courses, and the course content development staff who develop the premium courses, payment channel fees charged by third-party online payment providers, bandwidth costs, depreciation and amortization of properties and equipment, as well as costs of course materials. The instructors and course content development staff are all full-time employees, and their compensation primarily consists of base salary and bonus. The tutors consist of both full-time tutors and part-time tutors. Tutors' compensation primarily consists of base salary and performance-based compensations.

(s) Sales and marketing expenses

Sales and marketing expenses consist primarily of advertising and marketing promotion expenses, salaries and benefits (including share-based compensation expenses) of sales department staff who are also responsible for developing and delivering introductory courses, and other expenses incurred by the Group's sales and marketing personnel. Advertising expenses are generally paid to the third parties for online promotion and traffic acquisition and are expensed as sales and marketing expenses when the services are received. For the years ended June 30, 2021 and 2022, advertising and marketing promotion expenses were RMB1,306,501 and RMB1,590,886, respectively.

(t) General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits (including share-based compensation expenses) and related expenses for employees involved in general corporate functions, including finance, legal and human resources, rental fees, and professional service fees.

(u) Research and development expenses

Research and development expenses primarily consist of (i) salaries and benefits for research and development personnel, and (ii) office rental, general expenses and depreciation expenses associated with the research and development activities. The Group's research and development activities primarily consist of the development and enhancement of the Group's applications and platforms.

For internal use software, the Group expenses all costs incurred for the preliminary project stage and post implementation-operation stage of development. The amount of the Group's research and development expenses that qualify to be capitalized during the periods presented was immaterial, and as a result all development costs incurred for development of internal used software have been expensed as incurred.

(v) Share-based compensation expenses

All share-based awards granted to the founder, management, and employees, including restricted ordinary shares and share options, are measured at fair value on grant date. Share based compensation expense is recognized using the graded-vesting method over the requisite service period, which is the vesting period. The Company accounts for share-based compensation benefits granted to grantee in accordance with ASC 718 Stock Compensation. Information relating to the plans is set out in Note 14.

Prior to the Reorganization, all the options and restricted ordinary shares were granted by Predecessors with their own underlying shares. The Predecessors have used the discounted cash flow method to determine the underlying equity fair value of the Predecessors and adopted an equity allocation model to determine the fair value of the underlying ordinary share. The determination of estimated fair value of share-based payment awards on the grant date using binomial option pricing model is affected by the fair value of Predecessors' ordinary shares as well as assumptions regarding a number of complex and subjective variables. These variables include the expected value volatility of Predecessors' shares over the expected term of the awards, actual and projected employee share option exercise behaviors, a risk-free interest rate and any expected dividends, if any.

Some awards are granted with service only conditions and some awards granted with both performance conditions and service conditions. For awards granted with performance conditions and service conditions, the Company evaluates the likelihood of performance conditions being met at each reporting period. Share-based compensation costs are recorded when the performance conditions are considered probable for the number of awards expected to vest on a graded-vesting basis, net of estimated forfeitures, over the requisite service period. The compensation cost of the awards granted with performance conditions and service conditions is measured based on the fair value of the awards when all conditions to establish the grant date have been met.

(w) Employee benefits

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and the consolidated VIE of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. Employee social security and welfare benefits included as expenses in the consolidated statements of operations and comprehensive loss amounted to RMB39,449 and RMB111,698 for the years ended June 30, 2021 and 2022, respectively. The total balances of employee welfare benefits, including the accruals for estimated underpaid amounts, were approximately RMB13,636 and RMB30,974 as of June 30, 2021 and 2022 respectively.

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

(x) Taxation

Income taxes

Current income taxes are provided based on net profit (loss) for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions.

Deferred income taxes are recognized for temporary differences between the tax bases of assets and liabilities and their reported amounts in the consolidated financial statements, net operating loss carry forwards and credits. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all the deferred tax assets will not be realized. Current income taxes are provided in accordance with the laws of the relevant taxing authorities. Deferred tax assets and liabilities are measured using enacted rates expected to apply to taxable income in which temporary differences are expected to be reversed or settled. The effect on deferred tax assets and liabilities of changes in tax rates is recognized in the statement of comprehensive income (loss) in the period of the enactment of the change.

The Group considers positive and negative evidence when determining whether a portion or all its deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry-forward periods, its experience with tax attributes expiring unused, and its tax planning strategies. The ultimate realization of deferred tax assets is dependent upon its ability to generate sufficient future taxable income within the carry-forward periods provided for in the tax law and during the periods in which the temporary differences become deductible. When assessing the realization of deferred tax assets, the Group has considered possible sources of taxable income including (i) future reversals of existing taxable temporary differences, (ii) future taxable income exclusive of reversing temporary differences and carry-forwards, (iii) future taxable income arising from implementing tax planning strategies, and (iv) specific known trend of profits expected to be reflected within the industry. The Group records a valuation allowance to reduce the amount of deferred tax assets if based on the weight of available evidence, it is more-likely-than-not that some portion, or all, of the deferred tax assets will not be realized.

Value added Tax ("VAT")

The Group is subject to VAT at the rate of 6% depending on whether the entity is a general taxpayer, and related surcharges on revenue generated from providing services. Entities that are VAT general taxpayers are allowed to offset qualified input VAT, paid to suppliers against their output VAT liabilities. Net VAT balance between input VAT and output VAT is recorded in the line item of accrued expense and other liabilities on the face of balance sheet. The Group records revenue net of value added tax and the Group records the related surcharges as cost of revenues.

(y) Comprehensive loss

Comprehensive loss is defined to include all changes in equity/(deficit) of the Group during a period arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Comprehensive loss includes net loss and foreign currency translation adjustments of the Group.

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(All amounts in thousands, except for share data and per share data, or otherwise noted)

(z) Segment reporting

The Group's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially all located in the PRC and substantially all the Group's revenues are derived from within the PRC. Therefore, no geographical segments are presented.

(aa) Recently issued accounting pronouncements

The Group qualifies as an "emerging growth company", or EGC, pursuant to the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an EGC, the Group does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments". The guidance replaced the incurred loss impairment methodology with an expected credit loss model for which an entity recognizes an allowance based on the estimate of expected credit losses. For public companies, the amendments were effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal year. Early adoption is permitted. For all other entities, the amendments were effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Group early adopted this guidance on July 1, 2019, and the adoption did not have a material impact on its consolidated financial statements.

In June 2018, the FASB issued ASU 2018-07, Compensation-Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting to simplify the accounting for share-based payments to nonemployees by aligning it with the accounting for share-based payments to employees, with certain exceptions. Under the guidance, the measurement of equity-classified nonemployee awards will be fixed at the grant date, which may lower cost and reduce volatility in the income statement. The guidance was effective for public business entities in annual periods beginning after December 15, 2018, and interim periods within those years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. The Group adopted such pronouncement on July 1, 2019. The adoption did not have a material impact to the Group's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement, which was effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. Early adoption is permitted from the date of issuance. The Group elected to early adopt this guidance on July 1, 2019, and the adoption did not have a material impact on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. ASU 2020-06 simplifies the accounting for convertible instruments by reducing the number of accounting models available for convertible

debt instruments. This guidance also eliminates the treasury stock method to calculate diluted earnings per share for convertible instruments and requires the use of the if-converted method. The amendments in this Update are effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. The Group adopted this update on July 1, 2021. The impact of adopting the new standard was not material to the consolidated financial statements.

(ab) Recently issued accounting pronouncements not yet adopted

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes, which simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in ASC 740 and clarifies and amends existing guidance to improve consistent application. For public business entities, the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted. The Group plans to adopt the update starting from the fiscal year beginning on July 1, 2022. The Group is currently evaluating the impact of the new guidance on the consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (ASU 2021-08), which clarifies that an acquirer of a business should recognize and measure contract assets and contract liabilities in a business combination in accordance with Topic 606, Revenue from Contracts with Customers. The new amendments are effective for public business entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption of the amendments is permitted. The amendments should be applied prospectively to business combinations occurring on or after the effective date of the amendments. The Group has not determined yet to early adopt and plans to adopt the update starting from the fiscal year beginning on July 1, 2024. The Group is currently evaluating the impact of the new guidance on the consolidated financial statements.

3. Concentration and risks

Concentration of foreign currency risk

The Group’s operating transactions are mainly denominated in RMB. RMB is not freely convertible into foreign currencies. The value of the RMB is subject to changes by the central government policies and to international economic and political developments. In the PRC, certain foreign exchange transactions are required by law to be transacted only through authorized financial institutions at exchange rates set by the People’s Bank of China (the “PBOC”). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other PRC foreign exchange regulatory bodies which require certain supporting documents in order to effect the remittances. As of June 30, 2021, all the Group’s cash and cash equivalents and short-term investments denominated in RMB. As of June 30, 2022, the Group’s cash and cash equivalents and short-term investments denominated in RMB were RMB346,667, accounting for 86.87% of the Group’s total cash and cash equivalents and short-term investments.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

Concentration of customers and suppliers

There were no customers accounted for more than 10% of the Group's total revenues for the years ended June 30, 2021 and 2022 respectively. There were three and one customers individually accounted for more than 10% of the Group's net accounts receivable as of June 30, 2021 and 2022, respectively.

	As of June 30,	
Accounts receivables, net	2021	2022
Customer A	27.8%	*
Customer B	24.5%	*
Customer C	10.7%	*
Customer D**	*	92.2%

* *The percentage was below 10% for the period.*

** *Customer D is Beijing Baichuan Insurance Brokerage Co., Ltd., a related party of the Group, from which the gross accounts receivable for marketing services was RMB23,202 and recorded in "amounts due from related parties", which represents 92.2% of all accounts receivables from third parties and related parties.*

There was one supplier, i.e. an advertising and marketing promotion agency, which individually accounted for 12.6% of the Group's total costs and expenses for the years ended June 30, 2021. There was no supplier which individually accounted for more than 10% of the Group's total costs and expenses for the year ended June 30, 2022.

Credit and concentration risk

Financial instruments that potentially expose the Group to significant concentration of credit risk primarily consist of cash and cash equivalents and short-term investment. As of June 30, 2021, and 2022, substantially all the Group's cash and cash equivalents and short-term investments were held in major financial institutions located in Mainland China and Hong Kong, which management considered to be of high credit quality.

4. Accounts receivable, net

The accounts receivable, net, as of June 30, 2021 and 2022, consists of the following:

	As of June 30,	
	2021	2022
	RMB	RMB
Enterprise services	49,434	1,305
Others	50,139	645
Less: allowance for credit losses	(446)	(13)
Accounts receivable, net	**99,127**	**1,937**

Accounts receivable, net are mainly amounts due from insurance intermediaries and securities brokerage firms, and are non-interest bearing and generally on terms between 30 days to 90 days.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

The movements in the allowance for credit losses are as follows:

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Balance at beginning of the year	(4)	(446)
(Additions)/Reversals	(442)	433
Write-offs	—	—
Balance at end of the year	**(446)**	**(13)**

5. Prepayments and other current assets

Prepaid expenses and other current assets as of June 30, 2021 and 2022, consist of the following:

	As of June 30,	
	2021	2022
	RMB	RMB
Prepayments for promotion fees	79,182	86,686
Prepaid input value-added tax[(i)]	9,734	690
Prepaid other service fees[(ii)]	8,150	13,726
Receivables from third party payment platforms[(iii)]	13,472	9,456
Staff advance	363	192
Deposits	7,652	4,791
Others	29	19
Total	**118,582**	**115,560**

(i) Prepaid input value-added tax consists of VAT input that is expected to offset with VAT output tax or to be transferred out in the future.
(ii) Prepaid other service fees consist of prepayment of cloud server hosting fees and others.
(iii) Receivables from third party payment platforms consist of cash that has been received from course participants but held by the third-party payment platforms. The Group subsequently collected the full balance from the third party payment platforms.

6. Property and equipment, net

Property and equipment, net as of June 30, 2021 and 2022 consist of the following:

	As of June 30,	
	2021	2022
	RMB	RMB
Leasehold improvement	3,368	5,891
Computer and electronic equipment	2,904	4,773
Total	**6,272**	**10,664**
Less: Accumulated depreciation	(1,523)	(5,495)
Property and equipment, net	**4,749**	**5,169**

Depreciation expenses for the years ended June 30, 2021 and 2022 were RMB1,397 and RMB4,016 respectively.

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7. Intangible assets, net

Intangible assets as of June 30, 2021 and 2022 consist of the following:

	As of June 30,	
	2021	2022
	RMB	RMB
Brokerage license	37,599	—
Software	1,778	1,778
Less: Accumulated amortization	(6,045)	(1,778)
Intangible assets, net	**33,332**	**—**

On November 27, 2020, Changyou Star purchased 100% equity of Beijing Baichuan Insurance Brokerage Co., Ltd. from third parties for a consideration of RMB30,000. Before the acquisition, there were no operations or employees in the acquiree, and substantially all of the fair value of the gross assets acquired concentrated in the acquiree's insurance brokerage license, thus the acquisition was accounted for as an asset acquisition and management recognized the insurance brokerage license as intangible asset, which had a useful life of 52 months and is amortized on a straight-line basis. The Group then developed the Brokerage Business in Baichuan. On March 1, 2022, the brokerage license was disposed together with the disposal of Baichuan's business (Note 19).

Amortization expense on intangible assets for the years ended June 30, 2021 and 2022 were RMB6,025 and RMB6,579 respectively. No impairment for intangible assets was recorded for the years ended June 30, 2021 and 2022.

8. Accounts payables

These amounts represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts payables are mainly comprised of marketing promotion expenses payables to third parties as of June 30, 2021 and 2022.

9. Accrued expenses and other current liabilities

The following table summarized the Group's outstanding accrued expenses and other current liabilities as of June 30, 2021 and 2022, respectively:

	As of June 30,	
	2021	2022
	RMB	RMB
Accrued employee payroll and welfare benefits	58,374	78,245
Other accrued expense	9,202	16,807
Other tax payable	1,159	12,594
Refund liability[(i)]	—	615
Others	160	331
Total accrued expenses and other current liabilities	**68,895**	**108,592**

(i) Refund liability represents the estimated amounts of consideration collected by the Group which it expects to refund to its customers according to refund policy as described in Note 2(q).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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10. Lease

The Group has operating leases for corporate offices with the lease terms from within 1 month to 3 years, some of which include options to terminate the leases within certain periods. For operating leases with terms greater than 12 months, the Group records the related assets and lease liability at the present value of lease payments over the terms. Certain leases include rental escalation clauses, renewal options and/or termination option, which are factored into the Group's determination of lease payments when appropriate.

	As of June 30,	
	2021	2022
	RMB	RMB
Operating lease right-of-use assets, net	9,344	23,917
Operating lease liabilities-current	7,128	16,331
Operating lease liabilities-non current	1,942	6,566

The following table provides a summary of the Group's operating lease expenses and short-term lease expenses as of June 30, 2021 and 2022:

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Operating lease expenses	10,036	21,943
Short-term lease expenses	1,415	2,730

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Cash paid for amounts included in the measurement of operating lease liabilities	11,280	20,854
Right-of-use assets obtained in exchange for operating lease obligations	22,231	28,091

The following table provides a summary of the Group's operating lease terms and discount rates as of June 30, 2021 and 2022:

	As of June 30,	
	2021	2022
Weighted average remaining lease term (in years)	1.41	1.26
Weighted average discount rate	4.75%	4.75%

Maturities of operating lease liabilities as of June 30, 2022 were as follows:

	Amounts
	RMB
For the year ended June 30, 2023	17,570
For the year ended June 30, 2024	6,563
Total operating lease payments	24,133
Less: imputed interest	(1,236)
Present value of operating lease liabilities	22,897

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11. Short-term investments

The following table presents the fair value hierarchy for the Group's assets and liabilities that are measured and recorded at fair value on a recurring basis as of June 30, 2021 and 2022:

June 30, 2021	Quoted Prices in Active Market for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Other Unobservable Inputs (Level 3) RMB	Balance at Fair Value RMB
Assets				
Wealth management products	—	29,629	—	29,629
Total	**—**	**29,629**	**—**	**29,629**

June 30, 2022	Quoted Prices in Active Market for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Other Unobservable Inputs (Level 3) RMB	Balance at Fair Value RMB
Assets				
Wealth management products	—	132,632	—	132,632
Total	**—**	**132,632**	**—**	**132,632**

The short-term investments represent investment in wealth management products issued by banks in the PRC with expected annualized return ranging from 2% to 3.35% per annum indexed to the performance of underlying assets. The wealth management products invested by the Group can be redeemed at any time after the respective lock up period. The Group designated them as financial assets at fair value through profit or loss.

To estimate the fair value of wealth management products, the Group values its wealth management products using alternative pricing sources and models utilizing market observables inputs at the end of each period using the discounted cash flow method. The Company classifies the valuation techniques that use these inputs as Level 2 of fair value measurement. For the years ended June 30, 2021 and 2022, the Company recorded gains or losses resulting from changes in the fair values of short-term investments in the line item "others, net" in the consolidated statements of operations and comprehensive loss.

12. Taxation

Cayman Islands

Under the current laws of the Cayman Islands, the Group is not subject to tax on income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

British Virgin Islands ("BVI")

Subsidiaries in the BVI are exempted from income tax on its foreign-derived income in the BVI. There are no withholding taxes in the BVI.

Hong Kong

Hong Kong profits tax rate is 16.5% up to April 1, 2018. When the two-tiered profits tax regime took effect on April 1, 2018, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. During the years ended June 30, 2021 and 2022, Hong Kong profits tax was not provided as there were no taxable profits deriving from Hong Kong.

PRC

Under the PRC Enterprise Income Tax Law ("EIT Law"), the standard enterprise income tax rate is 25%. Entities qualifying as High and New Technology Enterprises ("HNTE") qualify for a preferential tax rate of 15% subject to a requirement that they re-apply for HNTE status every three years. Beijing Feierlai qualified as a HNTE in the calendar year 2020 and is eligible for a preferential enterprise income tax rate of 15% as a "high and new technology enterprise" under the EIT Law in the calendar year 2020.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, property, of a non-PRC company is located". Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the PRC be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, should the Company be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC income tax on worldwide income at a uniform tax rate of 25%.

Withholding tax on undistributed earnings

The EIT law also imposes a withholding income tax of 10% on dividends distributed by a foreign investment enterprise ("FIE") to its immediate holding company outside the PRC, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within the PRC or if the received dividends have no connection with the establishment or place of such immediate holding company within the PRC, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. The Cayman Islands, where the Company is incorporated, does not have such tax treaty with the PRC. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in the PRC to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5%. As of June 30, 2021, and 2022, the Group did not record any withholding tax on undistributed earnings as the PRC entities were still in accumulated deficit position. To the extent that subsidiaries and the consolidated VIE (including its subsidiaries) of the Group have undistributed earnings, the Group will accrue appropriate expected withholding tax associated with repatriation of such undistributed earnings.

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The following table sets forth the component of income tax expenses of the Group for the years ended June 30, 2021 and 2022

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Current tax expense	(2,303)	(19,796)
Deferred tax benefit	1,266	1,446
Income tax expense	(1,037)	(18,350)

The following table sets forth reconciliation between the statutory EIT rate and the effective tax rates:

	For the years ended June 30,	
	2021	2022
Statutory income tax rate in PRC	25.0%	25.0%
Effect due to different tax rates applicable to HNTE entities	1.6%	0.0%
Permanent differences	(8.0%)	(24.6%)
Changes in valuation allowance	(18.9%)	(8.8%)
Effective tax rate	**(0.3%)**	**(8.4%)**

Deferred tax assets and liabilities

	As of June 30,	
	2021	2022
	RMB	RMB
Deferred tax assets:		
Allowances of credit losses	1,507	380
Deductible temporary difference related to advertising expenses	34,414	35,384
Net operating tax losses carried forward	29,314	48,642
Subtotal	65,235	84,406
Less: valuation allowance	(65,235)	(84,406)
Total deferred tax assets, net	—	—

	As of June 30,	
	2021	2022
	RMB	RMB
Deferred tax liabilities:		
Acquired intangible assets	8,168	—
Total deferred tax liabilities	8,168	—

(All amounts in thousands, except for share data and per share data, or otherwise noted)

The tax losses of the Group expire over different time intervals depending on the local jurisdiction. All the entity's expiration periods for tax losses were five years. As of June 30, 2022, certain entities of the Group had net operating tax losses carried forward, which if not utilized, will expire as follows:

	2022 RMB
Loss expiring for the year ended December 31, 2022	—
Loss expiring for the year ended December 31, 2023	—
Loss expiring for the year ended December 31, 2024	6
Loss expiring for the year ended December 31, 2025	1,010
Loss expiring for the year ended December 31, 2026	193,455
Subtotal	**194,471**

A valuation allowance is provided against deferred tax assets when the Group determines that it is more likely than not that the deferred tax assets will not be utilized in the future. In making such determination, the Group evaluates a variety of factors including the Group's operating history, accumulated equity, existence of taxable temporary differences and reversal periods.

Changes in valuation allowance are as follows:

	For the years ended June 30,	
	2021 RMB	2022 RMB
Balance at beginning of the year	(5,693)	(65,235)
(Additions)/Reversal	(59,542)	(19,171)
Balance at end of the year	(65,235)	(84,406)

The major jurisdiction in which the Group is subject to potential examination is the PRC. In general, the PRC tax authorities have up to five years and in certain cases up to ten years to conduct examinations of the tax filings of the Group. All these related tax years remain subject to examination by the PRC tax authorities potentially.

13. Others, net

	For the years ended June 30,	
	2021 RMB	2022 RMB
Government grants	3,010	69
Fair value changes of short-term investments	2,400	4,894
Others	9,683	14,950
Total	15,093	**19,913**

14. Share based compensation expenses

Share based compensation expenses for periods prior to the Reorganization were related to the share options or restricted shares granted by Predecessors to the employees, management and the founders. For the years

(All amounts in thousands, except for share data and per share data, or otherwise noted)

ended June 30, 2021 and 2022, total share based compensation expenses that pushed down to the Company from the Predecessors, were RMB101,830 and RMB100,988, respectively.

	For the years ended June 30,	
	2021	2022
	RMB	RMB
(a) Share options issued by Predecessors to employees	91,907	100,629
(b) Share options issued by Company to employees	—	190,370
(c) Restriction of ordinary shares held by the Founder	9,923	430
Total	**101,830**	**291,429**

(a) Share options issued by the Predecessors

On April 23, 2018, WN adopted the 2018 WN Share Incentive Plan (the "2018 WN Plan"), whereby the maximum aggregate number of ordinary shares that can be issued under the 2018 WN Plan was 22,317,118 shares.

From July 1, 2018 to April 1, 2021, WN granted several batches of options to employees pursuant to the 2018 WN Plan. These options were to be vested in four equal installments, with 25% of the total options becoming vested on each of the first, second, third and fourth anniversary of the vesting commencement date with certain performance conditions including completion of an IPO (the "IPO condition").

On May 31, 2021, EW adopted the 2021 EW Global Share Plan (the "2021 EW Plan"), whereby the maximum aggregate number of ordinary shares that can be issued under the 2021 EW Plan was 21,717,118 shares.

On May 31, 2021, in connection with the Step 1 Reorganization, the outstanding share options of WN were replaced by the options issued by EW under the 2021 EW Plan, with the IPO condition removed, which was accounted for as a modification. In accordance with ASC 718, such modification was a Type III modification because the original condition is not expected to be satisfied as of the modification date. The incremental fair value of the 14,358,812 shares options is equal to the fair value of the modified awards amounting to RMB253,673. The Group recognized the incremental value for vested awards amounting to RMB35,617 on May 31, 2021 and the incremental value for unvested awards over the remaining vesting period.

From July 1, 2021 to May 31, 2022, EW granted several batches of options to employees pursuant to the 2021 EW Plan. These options were to be vested in four equal installments, with 25% of the total options becoming vested on each of the first, second, third and fourth anniversary of the vesting commencement date with certain performance conditions.

(b) Share options issued by the Company

On May 31, 2022, the Company adopted the 2021 Global Share Plan (the "2021 Plan"), whereby the maximum aggregate number of ordinary shares that can be issued under the 2021 Plan was 21,717,118 shares.

On May 31, 2022, in connection with the Step 2 Reorganization, the outstanding share options of EW were replaced by the options issued by the Company under the 2021 Plan. As the options issued by EW did not contain a mandatory equitable adjustment provision, the value of the EW awards immediately before the modification declined significantly, and the modification resulted in incremental fair value because the fair

(All amounts in thousands, except for share data and per share data, or otherwise noted)

value immediately after modification reflected the new equitable adjustments to the award's terms, which increased its value relative to the EW award that were not adjusted. Thus the modification did not meet the scope exception of modification accounting under ASC 718, and since the options either contained service condition only, or contained performance condition that is considered probable to be satisfied, such modification was accounted for as a Type I probable-to-probable modification, and the compensation cost was recognized based on the original grant-date fair value of the EW award plus the incremental fair value resulting from the modification. The Group recognized the incremental value for vested awards amounting to RMB117,520 on May 31, 2022, which was reflected in the financial statements for the quarter ended June 30, 2022, and the incremental value for unvested awards over the remaining vesting period.

A summary of activities of share options of the Predecessors and the Company for the years ended June 30, 2021 and 2022 is presented below:

	Options Outstanding	Weighted Average Exercise Price (US$)	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (RMB)
Outstanding as of July 1, 2020	5,303,958	0.0197	8.20	17,849
Granted	10,984,915	0.4259		
Exercised	(600,000)	0.0005		
Forfeited	(1,370,061)	0.1156		
Outstanding as of June 30, 2021	14,318,812	0.3229	8.70	254,748
Options vested and exercisable as of June 30, 2021	4,679,469	0.0669	7.76	79,066
Outstanding as of July 1, 2021	14,318,812	0.3229	8.70	254,748
Granted	2,958,000	0.8000		
Forfeited	(1,566,500)	0.5841		
Outstanding as of June 30, 2022	15,710,312	0.3861	7.90	346,142
Options vested and exercisable as of June 30, 2022	7,478,922	0.2041	7.23	173,915

There were 10,984,915 and 2,298,000 options granted for the years ended June 30, 2021 and 2022. The weighted average grant date fair value of options granted for the years ended June 30, 2021 and 2022 were US$0.78 and US$2.56 per share, respectively.

For the years ended June 30, 2021 and 2022, share-based compensation expenses recognized associated with share options granted by the Predecessors to employees of the Listing Businesses and allocated to the Company were RMB91,907 and RMB100,629. For the year ended June 30, 2022, share-based compensation expenses recognized associated with share options granted to employees by the Company were RMB190,370.

On May 31, 2022, the Company granted 510,500 share options to employees of the Group's related parties controlled by the same shareholders with the Company under the 2021 Plan, to replace their outstanding EW share options. As of June 30, 2022, 510,500 share options of the Company were held by the employees of the Group's related parties with the weighted average exercise price of US$0.66 per option and weighted average remaining contractual years of 8.71 years, out of which 121,750 options were vested and exercisable with the weighted average exercise price of US$0.56 per option and weighted average remaining contractual years of 8.45 years. The aggregate intrinsic value of the outstanding options and exercisable options as of June 30, 2022 are RMB10,306 and RMB2,539 respectively. The share awards were measured based on the fair value as of May 31, 2022. The share options granted to employees of the Group's related

(All amounts in thousands, except for share data and per share data, or otherwise noted)

parties were accounted for as deemed dividend from the Company to its shareholders, as these employees of the related parties do not provide services to the Company. The amount recognized as deemed dividend was RMB10,365 for the years ended June 30, 2022.

As of June 30, 2021, and 2022, there were RMB164,630 and RMB227,395 of unrecognized share-based compensation expenses related to the share options granted. The expenses are expected to be recognized over a weighted-average period of 2.70 years and 2.39 years and may be adjusted for future change in forfeitures.

The estimated fair value of each option grant is estimated on the date of grant using the Binominal option-pricing model with the following assumptions:

	For the years ended June 30,	
	2021	2022
Expected volatility	44.00%-52.18%	44.04%-45.32%
Risk-free interest rate (per annum)	0.69%-1.69%	1.48%-2.39%
Expected dividend yield	0.00%	0.00%
Expected term (in years)	10	10
Fair value of the underlying shares on the date of option grants (US$)	0.50-2.80	3.08-3.87

The use of a valuation model requires the Company to make certain assumptions of Predecessors with respect to selected model inputs. The expected volatility is calculated based on the annualized standard deviation of the daily return embedded in historical share prices of comparable companies. The risk-free interest rate is estimated based on the yield to maturity of US treasury bonds based on the expected term of the incentive shares. Predecessors has not declared or paid any cash dividends on its capital stock and does not anticipate any dividend payments on its ordinary shares in the foreseeable future.

(c) Restriction of ordinary shares held by the Founder

On April 25, 2017, in connection with Series A preferred shares purchase agreement of Witty network, Witty Time limited (“Founder Co.”) and its three shareholders, the Founder of the Group and two co-founders, entered into a restricted share agreement with Witty network, agreed to place all of their 63,000,200 ordinary shares into escrow to be released back to them only if specified service criteria are met (the “Restricted Shares”). 25% of the Restricted Shares shall be vested after the first anniversary of April 25, 2017, and the remaining 75% of the Restricted Shares shall be vested annually in equal installments over the next three years.

Before April 25, 2018, two co-founders no longer served Witty network and therefore the initial grant of shares has been forfeited. All the 20,353,910 Restricted Shares granted to the two co-founders were repurchased by Witty network, at the price of US$0.0001 per share.

On April 25, 2018, Witty network granted 13,036,792 Ordinary Shares to Founder Co. which is owned by the Founder, for which 25% became vested immediately, and the remaining shall vest every year thereafter in three equal installments. As such, 55,683,082 Restricted Shares were granted to the Founder, of which 25% were vested on April 25, 2018, and the remaining 75% shall vest every year thereafter in three equal installments.

On August 13, 2020, Witty network repurchased 1,640,444 Restricted Shares which have been vested, at the price of US$1.18 per share. The fair value of ordinary shares was US$0.49 per share. The difference

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between the repurchase price and fair value of the ordinary shares at the time of the repurchase was recorded as compensation expenses. The remaining shares were re-designated as Class B ordinary shares subject to the original restriction terms.

On September 1, 2020, 600,000 vested share options held by individual managers were purchased by the Founder with US$0.85 per share option. Witty network did not receive any proceeds from this transaction. At the time of the purchase, the IPO condition attached to these options was removed, that is, the options received by the Founder were immediately exercisable. In accordance with ASC 718, the removal of the IPO condition was accounted for as a Type III modification because the original condition was not expected to be satisfied as of the modification date. Therefore, the difference between the purchase price and fair value of these options before modification, which approximately equaled the purchase price, was recorded as share based compensation expenses. In November 2020, these options were approved by the board to be exercised as 600,000 Class A ordinary shares, and the Founder agreed with Witty network to classify 150,000, out of the 600,000 Class A ordinary shares as additional Restricted Shares, with 50% of these shares vested on August 13, 2021 and 2022 respectively. In addition, the Founder further agreed with Witty network that 410,111 Class B ordinary shares of the previously granted Restricted Shares were vested immediately, while the remaining 13,510,660 Class B ordinary shares, being the unvested Restricted Shares, were also modified with 50% vested on August 13, 2021 and 2022 respectively. Such modification did not have any material impact on the fair value of these share options.

On May 31, 2021, all of the then outstanding restricted shares were issued by EW to Founder Co. to replicate the number and terms of restricted shares originally issued by Witty network. On May 31, 2022, all of the then outstanding restricted shares were issued by the Company to Founder CO. to replicate the number and terms of restricted shares originally issued by EW.

On June 1, 2022, the remaining 75,000 shares of these unvested restricted shares were approved to be vested immediately, and the remaining RMB71 of share-based compensation expenses were recognized immediately.

Such restriction is deemed as a compensatory arrangement for services to be provided by the Founder, and therefore accounted for as a share-based compensation arrangement. The share-based compensation expenses related to restricted shares are recognized on a graded vesting basis.

A summary of activities of restricted shares for the years ended June 30, 2021 and 2022 is presented below:

	Number of shares	Weighted-Average Grant Date Fair Value (in US$)
Unvested at July 1, 2020	13,920,771	0.06
Granted	150,000	1.06
Vested	(410,111)	0.06
Unvested at June 30, 2021	13,660,660	0.07
Unvested at July 1, 2021	13,660,660	0.07
Granted	—	—
Vested	(6,905,330)	0.08
Unvested at June 30, 2022	6,755,330	0.06

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15 Ordinary Shares

Prior to incorporation of the Company, Witty network issued ordinary shares to shareholders. As of July 1, 2020, Witty network issued 55,683,082 ordinary shares to Founder Co., of which 13,920,770 ordinary shares were restricted and subject to further service condition of the Founder (Note 14(b)).

On August 13, 2020, 1,640,444 ordinary shares were repurchased by Witty network (Note 14(b)), and the remaining 54,042,638 ordinary shares (including 13,920,770 unvested restricted shares) were all re-designated as Class B ordinary shares with ten votes per share.

On November 4, 2020, 600,000 Class A ordinary shares with one vote per share were issued by Witty network to Founder Co. for nominal consideration, of which 150,000 ordinary shares were restricted and subject to further service condition of the Founder (Note 14(b)).

On May 31, 2021, 600,000 Class A ordinary shares and 54,042,638 Class B ordinary shares were issued by EW to Founder Co. to replicate the number and terms of ordinary shares originally issued by Witty network.

On February 9, 2022, the Company was incorporated in the Cayman Islands with an authorized share capital of US$50,000, divided into 500,000,000 shares with a par value of US$0.0001 each. Upon its incorporation, 1 share was allotted and issued to Founder Co. and credited as fully paid.

Upon completion of the Step 2 Reorganization, the authorized share capital of the Company is US$50,000 consisting of 500,000,000 shares of a nominal or par value of US$0.0001 each, of which:

(i) 345,113,731 are designated as class A ordinary shares of a par value of US$0.0001 each (the “Class A Ordinary Shares”),

(ii) 54,042,638 are designated as class B ordinary shares of a par value of US$0.0001 each (the “Class B Ordinary Shares”, together with the Class A Ordinary Shares, collectively the “Ordinary Shares”),

(iii) 22,000,000 are designated as convertible redeemable series A preferred shares of a par value of US$0.0001 each (the “Series A Preferred Shares”),

(iv) 23,983,789 are designated as convertible redeemable series B preferred shares of a par value of US$0.0001 each (the “Series B Preferred Shares”),

(v) 7,913,872 are designated as convertible redeemable series B-1 preferred shares of a par value of US$0.0001 each (the “Series B-1 Preferred Shares”),

(vi) 20,327,789 are designated as convertible redeemable series C preferred shares of a par value of US$0.0001 each (the “Series C Preferred Shares”),

(vii) 11,818,754 are designated as convertible redeemable series D preferred shares of a par value of US$0.0001 each (the “Series D Preferred Shares”), and

(viii) 14,799,427 are designated as convertible redeemable series E preferred shares of a par value of US$0.0001 each (the “Series E Preferred Shares”).

Holder of each of the Class A Ordinary Shares is entitled to one vote per share and holder of each of the Class B Ordinary Shares is entitled to ten votes. Class B Ordinary Shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Only Class B Ordinary Shares held by the Founder and Founder Co. enjoy ten votes for every Class B Ordinary Share on a poll.

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On May 31, 2022, 600,000 Class A ordinary shares and 54,042,638 Class B ordinary shares were issued to Founder Co., of which 75,000 Class A ordinary shares and 6,755,330 Class B ordinary shares were still restricted and shall vest in the remaining service period (Note 14(b)). Ordinary shares of the Company were recognized upon issuance of the shares by the Company based on their par value.

On June 1, 2022, 4,183,589 Class B ordinary shares re-designated as the same number of Class A ordinary shares, and 75,000 unvested restricted shares held by the Founder Co. were approved to be vested into Class A ordinary shares.

16 Preferred Shares

Predecessors' preferred shares

Prior to incorporation of the Company, Witty network has issued preferred shares to certain investors. The following table summarizes the issuances of preferred shares by Witty network:

Series	Issuance Date	Shares Issued	Issue Price per share (US$)	Aggregated issuance price (US$)
WN-A	April 2017	22,000,000	0.0455	1,001
WN-B	April 2018	23,983,789	0.1800	4,317
WN-B-1	May 2018	7,913,872	0.3146	2,489
WN-C	June 2018	20,327,789	0.5686	11,559
WN-D	August 2020	11,818,754	1.1825	13,975
WN-E	November 2020	14,799,427	2.3398	34,628

In August 2020, in connection with the issuance of series WN-D preferred shares, terms of series WN-A, WN-B, WN-B-1, and WN-C preferred shares were modified to include a redemption right.

On May 31, 2021, preferred shares were issued by EW in connection with the Step 1 Reorganization to replicate the number and terms of preferred shares originally issued by Witty network.

On May 31, 2022, preferred shares were issued the Company in connection with the Step 2 Reorganization to replicate the number and terms of preferred shares originally issued by EW.

Preferred shares of the Company

The key terms of the preferred shares of the Company are as follows:

Conversion Rights

Unless converted earlier pursuant to Automatic Conversion below, each holder of preferred shares shall have the right, at such holder's sole discretion, to convert all or any portion of the preferred shares into Class A ordinary shares at any time.

Automatic Conversion: Each preferred share shall automatically be converted into Class A Ordinary Shares, at the then applicable conversion price (i) upon the closing of a qualified initial public offering ("QIPO"), and (ii) upon the prior written approval of the holders of a majority of the outstanding preferred shares of each class with respect to conversion of each class.

The initial conversion ratio of preferred shares to ordinary shares shall be 1:1, and shall be subject to adjustments in the event of issuance or deemed issuance of additional ordinary shares below the preferred share conversion price, or share dividends, subdivisions, combinations or consolidations of ordinary shares, other distributions, or reclassification, exchange and substitution.

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Redemption Rights

The preferred shareholders shall have redemption rights upon the occurrence of any of the following events: (i) the Company fails to complete QIPO or a trade sale within four (4) years after the closing date of the issuance of Series E preferred shares of Witty network; (ii) a material breach by the Group or the Founder or the Founder Co., (iii) the termination of the Founder's employment/services contract with the Group due to the voluntary termination by the Founder, or (iv) the time when any material adverse change occurs, under which circumstance the captive structure of the Group companies which is established through the VIE Contractual Agreements becomes, or has become invalid, illegal or unenforceable (each a "Redemption Event"); then each preferred share shall be redeemable upon the request of any preferred shareholder.

The redemption price for each outstanding preferred share shall be equal to the product of (x) the applicable deemed preferred share issue price as set forth in the Company's Memorandum of Association, and (y) (1+8%*N), where N equals to a fraction, (A) the numerator of which is the number of calendar days between the applicable original issue date (as defined in the Company's Memorandum of Association) and the date on which the relevant redemption price is paid in full and (B) the denominator of which is 365, plus any declared but unpaid dividends.

Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series E Preferred Shares shall be entitled to receive, prior to any distribution to the holders of any other class or series of shares then outstanding, an amount per Series E Preferred Share equal to (i) one hundred and twenty five percent (125%) of the applicable Series E deemed preferred share issue price, plus (ii) all accrued or declared but unpaid dividends. The holders of other series of Preferred Shares shall be entitled to receive an amount per share equal to (i) one hundred percent (100%) of the respective deemed preferred share issue price, plus (ii) all accrued or declared but unpaid dividends.

Unless waived in writing by the majority of the outstanding preferred shares of each class, (i) the acquisition of the Company (whether by a sale of equity, merger or consolidation) in which in excess of 50% of the Company's voting power outstanding before such transaction is transferred, (ii) the exclusive licensing of all or substantially all of the Company's proprietary rights; or (iii) a sale, transfer or other disposition of all or substantially all the Company's assets, shall be deemed a liquidation, dissolution or winding up of the Company.

Dividend Rights

Holders of the preferred shares shall be entitled to receive any cash or non-cash dividends declared by the Board (including the approval of each investor director) on an as-converted basis.

Voting Rights

Each preferred share shall carry a number of votes equal to the number of Class A Ordinary Shares then issuable upon its conversion into Class A Ordinary Shares at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited.

Accounting for preferred shares

The Company classified the preferred shares in the mezzanine equity of the consolidated balance sheets as they are contingently redeemable at the options of the holders. The Company also determined that the embedded conversion features and the redemption features do not require bifurcation as they either are clearly and closely related to the preferred shares or do not meet the definition of a derivative.

Preferred shares of the Company were recognized upon the issuance of the shares by the Company on the completion date of the Reorganization and measured based on portion of carrying value of the Predecessors' preferred shares attributable to the Listing Businesses using the relative fair value method. The preferred shares was subsequently be accreted to its redemption value (if higher than the fair value at issue date). The Company records accretion on the preferred shares, where applicable, to the redemption value from the issuance date to the earliest redemption dates. The accretion calculated using the effective interest method, is recorded against retained earnings, or in the absence of retained earnings, by charging against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges are recorded by increasing the accumulated deficit. The issuance costs for Preferred Shares were nil for the years presented. The accretion of preferred shares to redemption value was RMB2,987 for the period from the issuance date to June 30, 2022.

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The Group's preferred shares activities for the year ended June 30, 2022 are summarized below:

	Series A		Series B		Series B-1		Series C		Series D		Series E		Total	
	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB
Balance as of July 1, 2021	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Issuance of Preferred Shares upon Step 2 Reorganization	22,000,000	82,002	23,983,789	94,833	7,913,872	33,612	20,327,789	108,501	11,818,754	103,404	14,799,427	238,821	100,843,631	661,173
Accretion of preferred share redemption value	—	—	—	—	—	—	—	391	—	752	—	1,844	—	2,987
Balance as of June 30, 2022	22,000,000	82,002	23,983,789	94,833	7,913,872	33,612	20,327,789	108,892	11,818,754	104,156	14,799,427	240,665	100,843,631	664,160

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17. Loss per share

Basic net loss per share is the amount of net loss available to each share of ordinary shares outstanding during the reporting period. Diluted net loss per share is the amount of net loss available to each share of ordinary shares outstanding during the reporting period adjusted to include the effect of potentially dilutive ordinary equivalent shares.

On May 31, 2022, the Company completed the Reorganization and issued 54,642,638 ordinary shares, of which 47,812,308 ordinary shares were outstanding, and issued 100,843,631 preferred shares which had the same number and terms of preferred shares originally issued by EW immediately before the Reorganization completion (See Note 15 and 16).

In computing the basic and diluted loss per share for the periods presented, the effect of the Reorganization was accounted for in a manner similar to a stock split or stock dividend which was accounted for in accordance with ASC 260. Thus, the number of the ordinary shares and preferred shares newly issued by the Company was retrospectively included since the beginning of the earliest period presented or the original issuance date of Predecessors, whichever is later, in calculating the loss per ordinary share.

Basic loss per share and diluted loss per share were calculated in accordance with ASC 260 Earnings per share for the years ended June 30, 2021 and 2022 as below:

	For the years ended June 30,	
	2021	2022
	RMB	RMB
Numerator:		
Net loss	(316,037)	(233,426)
Allocation of accretion of Predecessors' preferred shares (i)	(17,480)	(22,655)
Allocation of deemed dividends due to extinguishment of Predecessors' preferred shares (ii)	(197,436)	—
Accretion of the Company's preferred shares for the period from Reorganization completion date to June 30, 2022	—	(2,987)
Net loss attributable to ordinary shareholders of QuantaSing Group Limited	(530,953)	(259,068)
Denominator:	—	—
Weighted average number of ordinary shares outstanding — basic and diluted (iii)	41,206,648	49,270,950
Net loss per share — basic and diluted	(12.89)	(5.26)

For the purpose of calculating loss per share for the periods before the Step 2 Reorganization, accretion and the deemed dividend incurred by the preferred shares issued by WN and EW (the "Predecessors' preferred shares") were allocated to the Listing Businesses based on the relative fair value of the Listing Businesses and the Predecessors group.

(i) The accretion of Predecessors' preferred shares to redemption value attributable to the Listing Businesses was RMB17,480 and RMB22,655 for the years ended June 30, 2021 and 2022 respectively.

(ii) The impact of the inclusion of a redemption right for series of WN-A, WN-B, WN-B-1 and WN-C was assessed from both quantitative and qualitative perspectives and accounted for as extinguishment of former preferred shares. The difference between the fair value of the new preferred shares and the carrying value of former preferred shares was recognized by WN as a deemed dividend to preferred

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shareholders of WN. The deemed dividend attributable to the Listing Businesses was RMB197,436 for the year ended June 30, 2021.

(iii) Basic and diluted net loss per share are computed using the weighted average number of ordinary shares outstanding during the period, including 232,930 and 2,276,065 vested options with nominal exercise price for the years ended June 30, 2021 and 2022.

For the years ended June 30, 2021 and 2022, the Company had potential ordinary shares, including preferred shares, share options and restricted shares. On a weighted average basis, 94,269,515 and 100,843,631 preferred shares, 1,067,177 and 13,021,497 share options, and 13,657,905 and 7,647,753 restricted shares were excluded from the computation of diluted net loss per ordinary share because including them would have had an anti-dilutive effect for the years ended June 30, 2021 and 2022, respectively.

18. Related party transactions

The Group's consolidated financial statements include costs and expenses allocated from the Predecessors for periods prior to the Reorganization, amounted to RMB615,674 and RMB110,640 for the years ended June 30, 2021 and 2022 respectively. In addition, the Predecessors provided cash funding support to the Group to satisfy the Listing Businesses' working capital requirements. See Note 1(b) for more detailed information.

The Group has historically relied on the Predecessors for certain of the Group's funding.

The table below sets forth the major related parties and their relationships with the Group as of June 30，2021 and June 30, 2022:

Name of related parties	Relationship with the Group
Mr. Peng Li	The Founder
EW Technology Limited	Entity controlled by the same shareholders with the Company
Beijing Baichuan Insurance Brokerage Co., Ltd.	Entity controlled by the same shareholders with the Company
Shenzhen Shanchangshuiyuan Network Technology Co., Ltd.	Entity controlled by the same shareholders with the Company
Beijing Xingyuejiaohui Network Technology Co., Ltd.	Entity controlled by the same shareholders with the Company
Beijing Shanronghaina Network Technology Co., Ltd.	Entity controlled by the same shareholders with the Company
Baichuanxianghai Technology Co., Ltd	Entity controlled by the same shareholders with the Company
Beijing Shuidayuda Co., Ltd.	Entity controlled by the same shareholders with the Company
Shenzhen Erwan Education Technology Limited	Entity controlled by the Founder

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(a) The related party transaction entered into during the year ended June 30, 2021 and 2022 were as follows:

Transactions	For the years ended June 30, 2021 RMB	2022 RMB
(i) Transactions recorded in revenue[1]	—	44,710
(ii) Other transactions		
— Repayment of borrowings from related parties	(36,763)	(146,182)
— Borrowings from related parties	52,711	122,833
— Lending to related parties	(2,448)	(129,427)
— Repayment of lending to related parties	2,950	109,389
— Disposal of subsidiaries to related parties[2]	—	20,000

(b) The outstanding balance due from/to related parties as of June 30, 2021 and 2022 were as follows:

	As of June 30, 2021 RMB	As of June 30, 2022 RMB
Due from related parties	**2,448**	**47,394**
Due from Beijing Baichuan Insurance Brokerage Co., Ltd.[1]	—	23,008
Loan receivable from Predecessors group	748	—
Loan receivable from Shenzhen Shanchangshuiyuan Network Technology Co., Ltd.	1,500	—
Loan receivable from Shenzhen Erwan Education Technology Limited	95	—
Other receivable from Beijing Shanronghaina Network Technology Co., Ltd.[2]	—	2,000
Loan receivable from BaichuanXianghai Technology Co., Ltd.	—	11,886
Loan receivable from Beijing Baichuan Insurance Brokerage Co. Ltd.	—	10,500
Loan receivable from Beijing Shuidayuda Co., Ltd.	105	—
Due to related parties	**19,546**	—
Due to Predecessors	19,546	—

Note:

(1) Beijing Feierlai has been providing marketing services to Beijing Baichuan Insurance Brokerage Co., Ltd. by referring learners to purchase insurance policies and earned commissions for the service, which was recorded as revenues from related parties subsequent to the disposal of Baichuan (Note 19).

(2) The Group disposed of ChangYou Star to Beijing Shanronghaina Network Technology Co., Ltd. at a consideration of RMB22,000 (Note 19), and RMB2,000 of consideration for disposal of Baichuan has not been collected as of June 30, 2022; the amount has been fully collected as of the date of this report.

(3) All of the loans to related parties were unsecured and with maturity of less than a year. The loans receivable have been fully collected as of the date of this report.

There were no other material related party transactions occurred in the years presented.

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19. Disposal of Baichuan

On March 1, 2022, 100% equity of ChangYou Star was disposed of to Beijing Shanronghaina Network Technology Co., Ltd., an entity controlled by the same group of shareholders with the Company with the same shareholder ownership percentages for a consideration of RMB50,000, of which RMB28,000 was waived upon the Step 2 Reorganization. The transaction is a transfer among entities that have a high degree of common ownership and determined to lack economic substance and is accounted for in a manner similar to a disposal under common control pursuant to ASC 360-10. Any difference between the proceeds received by the transferring entity and the book value of the disposal Group (after impairment included in earnings, if any) was recognized as a capital transaction and no gain or loss was recorded. As such, RMB500 was recognized as a dividend to the shareholders, which represents the difference between the proceeds of RMB22,000 and the disposal Group's net carrying value. The Management does not consider the disposal is a strategic shift with major effect and determined that discontinued operations reporting is not applicable.

20. Commitments and contingencies

Operating lease commitment

As of June 30, 2022, future minimum commitments under non-cancelable agreements were as follows:

	Payment due by schedule		
	Less than 1 year	1-5 years	Total
	RMB	RMB	RMB
Office rentals	1,192	1,192	2,384

The operating commitments as of June 30, 2022 presented above mainly consist of the short-term lease commitments and leases that have not yet commenced but that created significant rights and obligations for the Company, which are not included in operating lease right-of-use assets and lease liabilities.

Legal Proceedings

As of June 30, 2021, and 2022, the Group was not involved in any legal or administrative proceedings that may have a material adverse impact on the Group's business, financial position results of operations, or cash flows.

21. Subsequent events

The Group has evaluated subsequent events through September 29, 2022, which is the date the consolidated financial statements are available to be issued, with no other material events or transactions identified that should have been recorded or disclosed in the consolidated financial statements.

22. Restricted net assets and parent company only condensed financial information

The Group's ability to pay dividends is primarily dependent on the Group receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Group's subsidiaries and the consolidated VIE incorporated in the PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Group's subsidiaries.

In accordance with the PRC laws and regulations, statutory reserve funds shall be made and can only be used for specific purposes and are not distributable as cash dividends. As a result of these PRC laws and regulations that require annual appropriations of 10% of net after-tax profits to be set aside prior to payment of dividends as general reserve fund or statutory surplus fund, the Group's PRC subsidiaries and the consolidated VIE are restricted in their ability to transfer a portion of their net assets to the Company. The restricted portion was RMB203,973 as of June 30, 2022.

The Company performed a test on the restricted net assets of its subsidiaries and the consolidated VIE (the "restricted net assets") in accordance with Securities and Exchange Commission Regulation S-X Rule 4-08 (e) (3), "General Notes to Financial Statements" and concluded that it was applicable for the Company to disclose the condensed financial information for the parent company for the year ended June 30, 2022. The Company concluded that it was not applicable for the Company to disclose the condensed financial information for the parent company for the year ended June 30, 2021, because (i) the Company had not been incorporated as of June 30, 2021 and (ii) the reorganization of the Group has not been completed including the Cayman Islands holding company not yet being the parent company of the subsidiaries and the consolidated VIE in the PRC as of June 30, 2021.

For the purpose of presenting parent only financial information, the Company records its investments in its subsidiaries under the equity method of accounting. Such investments are presented on the separate condensed balance sheet of the Company as "Investment/(Deficit) in subsidiaries" and the income/(loss) of the subsidiaries is presented as "share of income/(loss) of subsidiaries". The Company's net financial interests in the consolidated VIE are presented on the separate condensed balance sheet of the Company as "Net assets/(liabilities) of the VIE, and the income/(loss) of the VIEs is presented as "Income/(Loss) from the VIE". The condensed statement of operations and comprehensive loss also include share-based compensation expenses pushed down to the Company from Predecessors for the year ended June 30, 2022. The subsidiaries did not pay any dividend to the Company for the years presented. Certain information and footnote disclosures generally included in financial statements prepared in accordance with U.S. GAAP have been condensed and omitted. The footnote disclosures contain supplemental information relating to the operations of the Company, as such, these statements are not the general-purpose financial statements of the reporting entity and should be read in conjunction with the notes to the consolidated financial statements of the Company. The Company did not have significant capital and other commitments or guarantees as of June 30, 2022.

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

Condensed balance sheet

	As of June 30, 2022 RMB
ASSETS	
Current assets:	
Cash and cash equivalents	18
Amounts due from related parties	—
Prepayments and other current assets	—
Total current assets	**18**
Amounts due from intra-Group companies	—
Investment in subsidiaries	81,979
Total non-current assets	**81,979**
TOTAL ASSETS	**81,997**
Accrued expenses and other current liabilities	630
Amounts due to related parties	—
Amounts due to intra-Group companies	—
Total current liabilities	630
Net liabilities of the VIE	206,553
Total non-current liabilities	**206,553**
TOTAL LIABILITIES	**207,183**
MEZZANINE EQUITY	**664,160**
SHAREHOLDERS' DEFICIT	
Class A ordinary shares	3
Class B ordinary shares	29
Additional paid-in capital	69,934
Accumulated other comprehensive income	1,839
Accumulative deficit	(861,151)
TOTAL SHAREHOLDERS' DEFICIT	**(789,346)**
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT	**81,997**

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

Condensed statement of operations and comprehensive loss

	For the year ended June 30, 2022 RMB
Revenues	—
Cost of revenues	(27,583)
Gross Profit	(27,583)
Operating expenses:	
Sales and marketing expenses	(86,682)
General and administrative expenses	(57,287)
Research and development expenses	(120,558)
Total operating expenses	**(264,527)**
Loss from operations	**(292,110)**
Other (loss)/income:	
Share of loss from subsidiaries	(4,028)
Income from the VIE	62,712
Loss before income tax	**(233,426)**
Income tax expense	—
Net loss	**(233,426)**
Other comprehensive income	
Foreign currency translation adjustments, net of nil tax	1,839
Total other comprehensive income	**1,839**
Total comprehensive loss	**(231,587)**
Net loss	**(233,426)**
Allocation of accretion of Predecessors' preferred shares	(22,655)
Allocation of deemed dividends due to extinguishment of Predecessors' preferred shares	—
Accretion of preferred shares	(2,987)
Net loss attributable to ordinary shareholders of QuantaSing Group Limited	**(259,068)**

QUANTASING GROUP LIMITED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

Condensed statement of cash flows

	For the year ended June 30, 2022 RMB
Net cash used in operating activities	**(49)**
Cash flows from investing activities:	
Loan provided to subsidiaries	(127,165)
Loan repaid by subsidiaries	80,049
Net cash used in investing activities	**(47,116)**
Cash flows from financing activities:	
Capital contribution from Predecessors	76,178
Proceeds from loans from Predecessors	50,986
Repayment of loans to Predecessors	(79,981)
Net cash provided by financing activities	**47,183**
Effect of exchange rate changes on cash and cash equivalents	**—**
Net increase in cash and cash equivalents and restricted cash	**18**
Cash and cash equivalents at beginning of the year	—
Cash and cash equivalents at end of the year	**18**

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	As of June 30, 2022	As of September 30, 2022	As of September 30, 2022
		RMB	RMB	US$ Note 2(e)
ASSETS				
Current assets:				
Cash and cash equivalents		266,427	450,236	63,293
Restricted cash		—	92	13
Short-term investments	11	132,632	6,090	856
Accounts receivable, net	4	1,937	3,870	544
Amounts due from related parties	18	47,394	24,933	3,505
Prepayments and other current assets	5	115,560	123,638	17,381
Total current assets		**563,950**	**608,859**	**85,592**
Non-current assets:				
Property and equipment, net	6	5,169	4,445	625
Operating lease right-of-use assets	10	23,917	20,599	2,896
Other non-current assets		10,430	10,048	1,413
Total non-current assets		**39,516**	**35,092**	**4,934**
TOTAL ASSETS		**603,466**	**643,951**	**90,526**

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	As of June 30, 2022	As of September 30, 2022	As of September 30, 2022
		RMB	RMB	US$ Note 2(e)
LIABILITIES				
Current liabilities:				
Accounts payables (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB45,178 and RMB69,801 as of June 30, 2022 and September 30, 2022, respectively)	8	45,178	69,801	9,812
Accrued expenses and other current liabilities (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB77,616 and RMB96,862 as of June 30,2022 and September 30, 2022, respectively)	9	108,592	131,719	18,517
Income tax payable (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB7,298 and RMB13,093 as of June 30, 2022 and September 30, 2022, respectively)		7,298	13,093	1,841
Contract liabilities, current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB384,729 and RMB436,359 as of June 30, 2022 and September 30, 2022, respectively)		384,729	436,359	61,343
Advance from customers (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB151,089 and RMB143,125 as of June 30, 2022 and September 30, 2022, respectively)		151,089	143,125	20,120
Operating lease liabilities, current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB14,875 and RMB15,418 as of June 30, 2022 and September 30, 2022, respectively)	10	16,331	15,464	2,174
Total current liabilities		**713,217**	**809,561**	**113,807**
Non-current liabilities:				
Contract liabilities, non-current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB8,869 and RMB4,587 as of June 30, 2022 and September 30, 2022, respectively)		8,869	4,587	645
Operating lease liabilities, non-current portion (including amounts of the consolidated VIE without recourse to the primary beneficiary of RMB6,522 and RMB3,739 as of September 30, 2021 and 2022, respectively)	10	6,566	3,771	530
Total non-current liabilities		**15,435**	**8,358**	**1,175**
TOTAL LIABILITIES		**728,652**	**817,919**	**114,982**
Commitments and contingencies	19			

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	As of June 30, 2022	As of September 30, 2022	As of September 30, 2022
		RMB	RMB	US$ Note 2(e)
MEZZANINE EQUITY	16			
Series A convertible redeemable preferred shares (US$0.0001 par value, 22,000,000 shares authorized, issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)		82,002	82,002	11,528
Series B convertible redeemable preferred shares (US$0.0001 par value, 23,983,789 shares authorized, issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)		94,833	94,833	13,331
Series B-1 convertible redeemable preferred shares (US$0.0001 par value, 7,913,872 shares authorized, issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)		33,612	33,612	4,725
Series C convertible redeemable preferred shares (US$0.0001 par value, 20,327,789 shares authorized, issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)		108,892	110,125	15,481
Series D convertible redeemable preferred shares (US$0.0001 par value, 11,818,754 shares authorized, issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)		104,156	106,541	14,977
Series E convertible redeemable preferred shares (US$0.0001 par value, 14,799,427 shares authorized, issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)		240,665	246,516	34,655
TOTAL MEZZANINE EQUITY		**664,160**	**673,629**	**94,697**
SHAREHOLDERS' DEFICIT				
Class A ordinary shares (US$0.0001 par value; 345,113,731 shares authorized, 4,783,589 shares issued and outstanding as of June 30, 2022 and September 30, 2022, respectively)	15	3	3	—
Class B ordinary shares (US$0.0001 par value; 54,042,638 shares authorized, 49,859,049 shares issued and outstanding as of June 30, 2022 and September 30, 2022, respectively).	15	29	34	5
Additional paid-in capital		69,934	106,830	15,018
Accumulated other comprehensive income		1,839	3,965	557
Accumulative deficit		(861,151)	(958,429)	(134,733)
TOTAL SHAREHOLDERS' DEFICIT		**(789,346)**	**(847,597)**	**(119,153)**
TOTAL LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT		**603,466**	**643,951**	**90,526**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(All amounts in thousands, except for share and per share data, or otherwise noted)

	Note	For the three months ended September 30, 2021	2022	2022
		RMB	RMB	US$ Note 2(e)
Revenues (including revenue from related parties of nil and RMB30,261 for the three months ended September 30, 2021 and 2022, respectively)	2(p)	**744,041**	**659,366**	**92,692**
Cost of revenues		(86,081)	(75,062)	(10,552)
Gross Profit		**657,960**	**584,304**	**82,140**
Operating expenses:				
Sales and marketing expenses		(670,172)	(581,158)	(81,698)
Research and development expenses		(41,976)	(52,301)	(7,352)
General and administrative expenses		(30,328)	(44,390)	(6,240)
Total operating expenses		**(742,476)**	**(677,849)**	**(95,290)**
Loss from operations		**(84,516)**	**(93,545)**	**(13,150)**
Other income:				
Interest income		20	192	27
Others, net	13	6,027	6,450	907
Loss before income tax		**(78,469)**	**(86,903)**	**(12,216)**
Income tax benefit/(expense)	12	542	(10,375)	(1,458)
Net loss		**(77,927)**	**(97,278)**	**(13,674)**
Other comprehensive income				
Foreign currency translation adjustments, net of nil tax		204	2,126	299
Total other comprehensive income		204	2,126	299
Total comprehensive loss		**(77,723)**	**(95,152)**	**(13,375)**
Net loss		**(77,927)**	**(97,278)**	**(13,674)**
Allocation of accretion of Predecessors' preferred shares		(6,122)	—	—
Accretion of the Company's preferred shares		—	(9,469)	(1,331)
Net loss attributable to ordinary shareholders of QuantaSing Group Limited		**(84,049)**	**(106,747)**	**(15,005)**
Net loss per ordinary share				
—Basic	17	(1.79)	(1.96)	(0.28)
—Diluted	17	(1.79)	(1.96)	(0.28)
Weighted average number of ordinary shares used in computing net loss per share				
—Basic	17	46,836,816	54,439,786	54,439,786
—Diluted	17	46,836,816	54,439,786	54,439,786
Share-based compensation expenses included in	14			
Cost of revenues		(3,146)	(4,652)	(654)
Sales and marketing expenses		(10,051)	(12,519)	(1,760)
Research and development expenses		(8,736)	(12,068)	(1,696)
General and administrative expenses		(7,200)	(17,131)	(2,408)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN INVESTED DEFICIT / SHAREHOLDERS' DEFICIT
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	Note	Class A ordinary shares		Class B ordinary shares		Additional paid-in capital	Accumulated other comprehensive income	Accumulated deficit	Parent Company's investment deficit	Total invested deficit / shareholders' deficit
		Shares	Amount	Shares	Amount					
			RMB		RMB	RMB	RMB	RMB	RMB	RMB
Balance as of July 1, 2021		—	—	—	—	—	—	—	(279,506)	(279,506)
Share-based compensation	14	—	—	—	—	—	—	—	29,133	29,133
Parent Company's contribution	1(b)	—	—	—	—	—	—	—	43,012	43,012
Net loss		—	—	—	—	—	—	—	(77,927)	(77,927)
Currency translation differences		—	—	—	—	—	204	—	—	204
Balance as of September 30, 2021		**—**	**—**	**—**	**—**	**—**	**204**	**—**	**(285,288)**	**(285,084)**
Balance as of July 1, 2022		**4,783,589**	**3**	**49,859,049**	**29**	**69,934**	**1,839**	**(861,151)**	**—**	**(789,346)**
Share-based compensation	14	—	—	—	—	46,370	—	—	—	46,370
Vesting of restricted shares	14	—	—	—	5	(5)	—	—	—	—
Accretion of the Company's preferred shares	16	—	—	—	—	(9,469)	—	—	—	(9,469)
Net loss		—	—	—	—	—	—	(97,278)	—	(97,278)
Currency translation differences		—	—	—	—	—	2,126	—	—	2,126
Balance as of September 30, 2022		**4,783,589**	**3**	**49,859,049**	**34**	**106,830**	**3,965**	**(958,429)**	**—**	**(847,597)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(RMB in thousands, except for share data and per share data, or otherwise noted)

	For the three months ended September 30,		
	2021	2022	2022
	RMB	RMB	US$ Note 2(e)
Cash flows from operating activities:			
Net loss	(77,927)	(97,278)	(13,674)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Fair value changes of short-term investments	(311)	542	76
Provision/(Reversal) of allowance for expected credit losses	(278)	210	30
Depreciation of property and equipment	846	789	111
Amortization of intangible assets	2,536	—	—
Realized gains from short-term investments	(771)	(2,990)	(420)
Share-based compensation	29,133	46,370	6,518
Changes in operating assets and liabilities:			
Accounts receivable	27,984	(2,270)	(319)
Amounts due from related parties	—	(1,798)	(253)
Prepayments and other current assets	(6,596)	(3,795)	(533)
Deferred tax liabilities	(542)	—	—
Operating lease right-of-use assets	(15,264)	3,318	466
Accounts payables	(21,009)	24,623	3,461
Accrued expenses and other current liabilities	17,765	18,844	2,648
Income tax payable	(7)	5,795	815
Contract liabilities	44,960	47,348	6,656
Advance from customers	69,088	(7,964)	(1,120)
Operating lease liabilities, current portion	10,110	(867)	(122)
Operating lease liabilities, non-current portion	4,812	(2,795)	(393)
Other non-current assets	(5,170)	382	54
Net cash provided by operating activities	**79,359**	**28,464**	**4,001**

QUANTASING GROUP LIMITED

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(RMB in thousands, except for share data and per share data, or otherwise noted)

	For the three months ended September 30,		
	2021	2022	2022
	RMB	RMB	US$ Note 2(e)
Cash flows from investing activities:			
Purchase of short-term investments	(264,000)	(414,000)	(58,199)
Proceeds from short-term investments	196,000	540,000	75,912
Purchase of property and equipment	(1,329)	(65)	(9)
Investment income from wealth management products	771	2,990	420
Consideration received for disposal of subsidiaries	—	2,000	281
Loan provided to related parties	(39,340)	—	—
Loan repaid by related parties	17,843	22,386	3,147
Net cash (used in)/provided by investing activities	**(90,055)**	**153,311**	**21,552**
Cash flows from financing activities:			
Contribution from Predecessors	43,012	—	—
Proceeds from loans from Predecessors	37,650	—	—
Repayment of loans from Predecessors	(28,460)	—	—
Net cash provided by financing activities	**52,202**	**—**	**—**
Effect of exchange rate changes on cash, cash equivalents and restricted cash	204	2,126	299
Net increase in cash, cash equivalents and restricted cash	**41,710**	**183,901**	**25,852**
Cash, cash equivalents and restricted cash at beginning of the period	**25,101**	**266,427**	**37,454**
Including:			
Cash and cash equivalents at beginning of the period	25,101	266,427	37,454
Restricted cash at beginning of the period	—	—	—
Cash, cash equivalents and restricted cash at end of the period	**66,811**	**450,328**	**63,306**
Including:			
Cash and cash equivalents at end of the period	66,811	450,236	63,293
Restricted cash at end of the period	—	92	13
Supplemental disclosure of cash flow information			
Cash paid for income tax	(7)	(4,580)	(644)
Non-cash investing and financing activities			
Accretion of the Company’s preferred shares	—	(9,469)	(1,331)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

QUANTASING GROUP LIMITED

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(All amounts in thousands, except for share data and per share data, or otherwise noted)

1. Organization and principal activities

(a) Nature of operations

QuantaSing Group Limited (the "Company" or "QuantaSing") was incorporated in the Cayman Islands on February 9, 2022 as an exempted company with limited liability.

The Company is a newly incorporated investment holding company. The Company's predecessors were Witty network Limited ("Witty network", or "WN"), and EW Technology Limited ("EW") (collectively referred to as the "Predecessors"), both of which were incorporated in the Cayman Islands. The Company (and its Predecessors prior to the reorganization), through its subsidiaries and the consolidated variable interest entities ("VIEs") for which the Company (and its Predecessors) has a controlling financial interest and is the primary beneficiary (together, the "Group"), is principally engaged in the operation of an online platform to provide individual online learning services to the individual learners and enterprise services to financial intermediary enterprises (the "Listing Businesses") in the People's Republic of China (the "PRC", references to "PRC" are to the People's Republic of China, excluding, for the purposes of the financial statements only, Taiwan, Hong Kong and Macau).

The Company became the ultimate holding company of the subsidiaries and ultimate beneficial owner of the VIE comprising the Group upon the completion of the reorganization as described in Note 1 (b).

(b) Reorganization

In preparation for the initial listing of the Company's shares (the "Listing"), a group reorganization was undertaken pursuant to which the Listing Businesses were transferred to a new holding structure under the Company (the "Reorganization").

Step 1 Reorganization

WN was incorporated on January 13, 2017 and undertook a series of financing activities by issuing preferred shares to institutional investors and granted share options to its employees. WN operated its business in the PRC through its subsidiaries and the consolidated VIEs (collectively, the "WN Group"). WN Group operated certain non-listing businesses (the "Old Business") which was discontinued by the end of June 2019. Since July 2019, WN Group shifted its business strategy and started to operate the Listing Businesses.

QUANTASING GROUP LIMITED

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

Main subsidiaries and consolidated VIEs of WN included:

	Date of incorporation	Place of incorporation	Percentage of direct or indirect economic interest	Principal activities
Wholly owned subsidiaries:				
Beijing Erwan Technology Limited ("Beijing Erwan", or the "WN WFOE")	March 27, 2017	The PRC	100%	Investment holding
VIEs:				
Feierlai (Beijing) Technology Limited ("Beijing Feierlai", or the "VIE 1", or the "VIE" after the Reorganization)	July 27, 2016	The PRC	100%*	Listing Businesses
Beijing Dianfengtongdao Technology Limited ("Beijing Dianfeng", or the "VIE 2")	April 25, 2017	The PRC	100%*	Listing Businesses, Old Business

* WN WFOE had 100% of beneficial interests in these consolidated VIEs.

EW was incorporated on April 15, 2021. EW, together with its subsidiaries and the consolidated VIE (collectively, the "EW Group") are established to enable a reorganization, through which they assumed the Listing Businesses previously operated by WN Group (the "Step 1 Reorganization").

To effect the Step 1 Reorganization, the following steps were undertaken:

(a) During the period from February to May 2021, EW, through its subsidiaries in the BVI and Hong Kong, created a subsidiary, Beijing Liangzizhige Technology Limited ("Beijing Liangzi", or the "EW WFOE", or the "WFOE") in the PRC.

(b) On May 20, 2021, the EW WFOE, VIE 1, and legal shareholder of VIE 1, which is an entity controlled by Mr. Peng Li, the founder of the Group (the "Founder"), entered into a series of new contractual arrangements, which enables EW WFOE to consolidate VIE 1.

(c) Certain key employees, contracts, operating assets and liabilities of the WN WFOE, VIE 2 and its subsidiaries related to Listing Businesses were transferred to EW WFOE and VIE 1. However, there continued to have small amount of Listing Businesses in WN Group after May 2021.

(d) EW issued ordinary shares and preferred shares on May 31, 2021 to mirror the number and terms of ordinary shares and preferred shares originally issued by WN. EW also issued share options to mirror the number of the share options originally granted by WN (Refer to Note 14 for the modification of the vesting terms of the share options).

The Step 1 Reorganization was completed on May 31, 2021.

After the Step 1 Reorganization, EW Group developed insurance brokerage business (the "Brokerage Business") in addition to the Listing Businesses. Brokerage Business was conducted through Beijing ChangYou Star Network Technology Co., Ltd. ("Changyou Star"), a subsidiary of VIE 1 established for investment holding, and its subsidiary Beijing Baichuan Insurance Brokerage Co., Ltd. (collectively referred to as "Baichuan").

(All amounts in thousands, except for share data and per share data, or otherwise noted)

Step 2 Reorganization

On February 9, 2022, the Company was incorporated in the Cayman Islands. The Company was established to enable another reorganization, through which it assumed the Listing Businesses previously operated by EW Group and WN Group (the "Step 2 Reorganization").

To effect the Step 2 Reorganization, the following steps were undertaken:

(a) On March 1, 2022, the VIE 1 disposed of its interest in Baichuan to an entity controlled by the Founder, who in turn was holding the interest in this subsidiary on behalf of all shareholders of the Company.

(b) On May 16, 2022, EW transferred all equity interest in its BVI subsidiary, which holds EW WFOE and controlling financial interest in VIE 1 and its subsidiaries, to the Company. As a result, the Company in return became the ultimate holding company of the subsidiaries and the consolidated VIE conducing the Listing Businesses.

(c) The portion of the Listing Businesses remained in WN Group (including those operated through WN WFOE, VIE 2 and its subsidiaries) was also transferred to the Company's subsidiaries and the consolidated VIE (including its subsidiaries).

(d) On May 31, 2022, certain ordinary shares and preferred shares of the Company were issued in connection with the Step 2 Reorganization to mirror the number and terms of ordinary shares and preferred shares originally issued by EW. The share options of the Company were also issued in connection with the Step 2 Reorganization to mirror the number and vesting terms of the share options originally granted by EW.

The Step 2 Reorganization was completed on May 31, 2022.

Upon completion of the Reorganization, the ownership structure of the subsidiaries and the consolidated VIE of the Group is as follows:

	Date of incorporation	Place of incorporation	Percentage of direct or indirect economic interest	Principal activities
The Company:				
QuantaSing Group Limited ("Company"/"QuantaSing")	February 9, 2022	The Cayman Islands	Holding company	Investment holding
Wholly owned subsidiaries (offshore):				
Hundreds of Mountains Limited	March 22, 2021	The BVI	100%	Investment holding
Witty Digital Technology Limited	March 29, 2021	Hong Kong	100%	Investment holding
Wholly owned subsidiaries (onshore):				
Beijing Liangzizhige Technology Limited. (the "EW WFOE", or the "WFOE" after the Reorganization)	March 19, 2021	The PRC	100%	Investment holding

QUANTASING GROUP LIMITED

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	Date of incorporation	Place of incorporation	Percentage of direct or indirect economic interest	Principal activities
VIE:				
Feierlai (Beijing) Technology Co., Ltd. ("Beijing Feierlai", or the "VIE 1", or the "VIE" after the Reorganization)	July 27, 2016	The PRC	100%*	Listing Businesses
VIE's subsidiaries:				
Beijing Shijiwanhe Information Consulting Limited	August 28, 2019	The PRC	100%*	Listing Businesses
Beijing Denggaoerge Network Technology Limited	December 24, 2020	The PRC	100%*	Listing Businesses

* The WFOE has 100% of beneficial interests in the consolidated VIE (including its subsidiaries).

Basis of Presentation for the Reorganization

The Reorganization consists of transferring the Listing Businesses to the Group, which is owned by the same group of shareholders (collectively referred to as the "Parent Company") of the Company and the Predecessors immediately before and after the Reorganization. Both Step 1 Reorganization and Step 2 Reorganization are considered as a non-substantive capital transaction of the Listing Businesses, as the shareholder ownership percentages immediately before and after these two steps of the Reorganizations were the same. Accordingly, the Reorganization is accounted for in a manner similar to a common control transaction because it is determined that the transfers lack economic substance. Therefore, the accompanying unaudited interim condensed consolidated financial statements of the Group include the assets, liabilities, revenue, expenses, and cash flows that are directly attributable to the Listing Businesses for the periods presented and are prepared as if the corporate structure of the Company after the Reorganization had been in existence throughout the periods presented.

The assets and liabilities are generally stated at historical carrying amounts. Those assets and liabilities that are specifically related to the Listing Businesses are included in the Group's consolidated balance sheets. Income tax payable is calculated on a separate return basis as if the Group had filed separate tax returns. The Group's statement of operations and comprehensive loss consists of all the revenues, costs, and expenses of the Listing Businesses, including allocations to the cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses, which were incurred by the Predecessors but related to the Listing Businesses. These allocated costs and expenses are primarily related to office rental expenses, office utilities, information technology support and certain corporate functions, including senior management, finance, legal and human resources, as well as share-based compensation expenses.

Generally, the costs and expenses identified as relating to the Listing Businesses were allocated to the Group; the costs of shared employees were allocated to the Group based on the Group's headcount as a proportion of total headcount in the Predecessors group; share based compensation expenses were allocated to the Group based on the compensation expenses attributable to employees of the Listing Businesses. These allocations are made on a basis considered reasonable by management. Such presentation may not necessarily reflect the results of operations, financial position and cash flows of the Group had it existed on a stand-alone basis during the period presented.

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NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

The following tables set forth the cost of revenues, sales and marketing expenses, research and development expenses, and general and administrative expenses allocated from the Predecessors for the three months ended September 30, 2021:

For the three months ended September 30, 2021:	Share based compensation RMB	Others RMB	Total RMB
Cost of revenues	3,146	78	3,224
Sales and marketing expenses	10,051	4,220	14,271
Research and development expenses	8,736	688	9,424
General and administrative expenses	7,200	1,458	8,658
Total	**29,133**	**6,444**	**35,577**

Out of the total costs and expenses of RMB35,577 allocated from the Predecessors for the three months ended September 30, 2021, RMB29,133 is for share based compensation expenses which are recorded as a contribution from the Predecessors. The remaining allocated expenses of RMB6,444 were deemed to be a contribution from the Predecessors as they were agreed to be waived by Predecessors.

As the Reorganization qualifies as a non-substantive transaction with high degree of common ownership, the carrying value of the equity of the Listing Businesses immediately before the Step 2 Reorganization was carried forward to the total equity of the Company immediately after the Reorganization. Considering that a material part of the Listing Businesses was a carve-out business of a larger entity, the Company has determined it was most appropriate not to retrospectively adjust the equity structure for periods before the Step 2 Reorganization completion date, and that the Company's equity other than accumulated other comprehensive income/(loss) was presented as a single financial statement line item as "Parent Company's investment" in the balance sheets, and the contribution from or distribution to Predecessors were presented as "Parent Company's contribution" or "Distribution to Parent Company" in the statements of changes in invested deficit. The Company did not record any ordinary shares or preferred shares on its balance sheet before the Step 2 Reorganization completion.

Upon the date of completion of the Step 2 Reorganization, the following equity line items were initially recognized as follows: (i) ordinary shares based on par value of the shares; (ii) preferred shares based on the portion of the historical carrying value of the Predecessors' preferred shares attributable to the Listing Businesses using a relative fair value method; (iii) the accumulated deficit was presented based on Listing Businesses' historical earnings or losses; and (iv) with the amounts allocated to ordinary shares and preferred shares, the debit was recorded in the accumulated deficit. Refer to Note 15 and Note 16 for details of ordinary shares and preferred shares.

In computing basic and diluted loss per share for all of the periods presented, the Reorganization was accounted for in a manner similar to a stock split or stock dividend. Thus, the number of the ordinary shares and preferred shares newly issued by the Company was retrospectively included since the beginning of the earliest period presented or the original issuance date of particular classes of shares by Predecessors, whichever is later, for the purpose of calculating the loss per ordinary share for the period before completion of the Reorganization. Accretion and deemed dividend incurred by Predecessors' preferred shares were allocated to the Listing Businesses based on the relative fair value of the Listing Businesses and the Predecessors group. Refer to Note 17 for details.

For purposes of presentation in the unaudited interim condensed consolidated statements of cash flows, the cash flow from Predecessors to support the Listing Businesses is presented as contribution from

Predecessors or Proceeds from loans from Predecessors depending on whether they were agreed to be waived by Predecessors, which is included in cash flows from financing activities.

(c) Variable interest entity (including the portion of Listing Businesses in the VIE 2 before the Reorganization)

(1) Summary of the VIE contractual arrangements (the "VIE Contractual Agreements")

The Company's subsidiary Beijing Liangzizhige Technology Limited, or the WFOE, has entered into contractual arrangements with the VIE and its shareholder described below, which are referred to as the VIE Contractual Agreements. Through the VIE Contractual Agreements, the Company is able to consolidate the financial statements of the VIE and receives substantially all its economic benefits and residual returns. The VIE Contractual Agreements was effective on May 20, 2021. Prior to the VIE Contractual Agreements, the WN WFOE also entered into similar contractual arrangements with the VIE 1 and VIE 2, and their shareholders, the terms of which are substantially the same as the VIE Contractual Agreements. The contractual agreements among WN WFOE, VIE 1 and its shareholder were terminated immediately before the effectiveness of the VIE Contractual Agreements.

Voting Rights Proxy Agreement

Pursuant to the voting rights proxy agreement entered into by and among the WFOE, the VIE and its shareholder, the shareholder of the VIE irrevocably appointed and authorized the WFOE or its designee(s) to act on its behalf as exclusive agent and attorney, to the extent permitted by PRC law, with respect to all matters concerning all equity interests held by such shareholder in the VIE, including but not limited to the power to (1) attend shareholders' meetings, (2) exercise all shareholder's rights and shareholder's voting rights that it is entitled under relevant PRC laws and regulations and the articles of association of the VIE, including but not limited to the right to sell, transfer, pledge or dispose of all the equity interests held in part or in whole, and (3) designate and appoint on its behalf the legal representative, directors, supervisors, chief executive officer and other senior management members of the VIE. The voting rights proxy agreement is irrevocable and continuously effective from the execution date until the entire equity interests in the VIE have been transferred to the WFOE or its designee pursuant to the exclusive option agreement or unless otherwise agreed to with written consent by all parties.

Exclusive consultancy and service agreement

Pursuant to the exclusive consultancy and service agreement entered into by and between the WFOE and the VIE, the WFOE has the exclusive right, during the term of the exclusive consultancy and service agreement, to provide or designate its affiliates to provide complete business support and technical and consulting services to the VIE. In exchange, the VIE shall pay the WFOE in an amount equals to the VIE's revenues minus any turnover tax, total costs incurred by the VIE, any provisions for statutory reserves and retained earnings, which should be paid on a quarterly basis. The retained earnings should be zero unless the WFOE agrees in writing for any other amount. The WFOE has the right to adjust the above service fee at its sole discretion without prior consent of the VIE. The WFOE shall have exclusive and proprietary rights and interests in all rights, ownership, interests and intellectual properties arising out of or created during the performance of the agreement. The exclusive

consultancy and service agreements shall remain effective for ten years from the execution date and shall be extended for another ten years unless confirmed otherwise in writing by the WFOE within three months prior to the expiration date.

Exclusive option agreement

Under the exclusive option agreement entered into by and between the WFOE, the VIE and its shareholder, the shareholder of the VIE irrevocably granted the WFOE an exclusive right to purchase, or designate any third-party to purchase, all of its equity interests in the VIE at any time in part or in whole at the sole and absolute discretion of the WFOE to the extent permitted by PRC law and at a purchase price equal to the lowest price permitted by the then-applicable PRC law and regulations at the time of exercise of the options. The shareholder of the VIE shall give all considerations it received within 10 days from the exercise of the options to the WFOE or its designee(s). Without the prior written consent of the WFOE, the VIE and/or its shareholder shall not, among others (1) transfer or otherwise dispose of any equity, assets or business of the VIE, or create any pledge or encumbrance on any equity, assets or business of the VIE, (2) increase or decrease the VIE's registered capital or change its structure of registered capital, (3) sell, transfer, mortgage, or dispose of in any other manner outside of ordinary course of business any assets of the VIE or any legal or beneficial interests in the material business or revenues of the VIE, or allow any encumbrances thereon of any security interests, (4) enter into any major contracts or terminate any material contracts to which the VIE is a party, or enter into any other contract that may result in any conflicts with the VIE's existing materials contacts, (5) carry out any transactions that may substantially affect the VIE's assets, business operations, shareholding structure, or equity investment in third-party entities, (6) appointment or replacement of any director, supervisor, or any management who could be appointed or dismissed by shareholder of the VIE, (7) declare or distribute dividends, (8) dissolute or liquate or terminate the VIE, (9) amend the VIE's articles of association, or (10) allow the VIE to incur any borrowings or loans. This agreement shall remain in effect until all equity interests in the VIE have been transferred to the WFOE and/or its designee(s) pursuant to this agreement.

Equity pledge agreement

Under the equity pledge agreement entered into by and among the WFOE, the VIE and its shareholder, the shareholder of the VIE agrees to pledge all of its equity interests in the VIE to the WFOE as security for performance of the respective obligations of the VIE and its shareholder hereunder and under the exclusive option agreement, the voting rights proxy agreement and the exclusive consultancy and service agreement, and for payment of all the losses and losses of anticipated profits suffered by the WFOE as a result of the VIE or its shareholder's defaults. If any of the VIE or its shareholder breach its contractual obligations, such WFOE, as the pledgees, may, upon issuing written notice, exercise certain remedy measures, including but not limited to being paid in priority with all pledged equity interests based on monetary evaluation or from the proceeds from auction or sale. The shareholder of the VIE agrees that, without the WFOE's prior written consent, the shareholder of the VIE shall not transfer the pledged equity interests or place or permit the existence of any security interests or other encumbrances over the pledged equity interest. The WFOE may assign all or any of its rights and obligations under the share pledge agreement to its designee(s) at any time. The equity pledge agreement pledge will become effective on the date thereof and will remain in effect until the fulfillment of all the obligations hereunder and under the exclusive option agreement, the voting rights proxy agreement and the exclusive

consultancy and service agreement and the full payment of all the losses and losses of anticipated profits suffered by the relevant WFOE as a result the VIE or its shareholder's default.

(2) Risks in relation to the VIE structure

The Group's business is conducted through the VIE (including its subsidiaries, and including the portion of Listing Businesses in the VIE 2 and its subsidiaries) of the Group, of which the Company (and its Predecessors before the Reorganization) is the ultimate primary beneficiary. The Company has concluded that (i) the ownership structure of the VIE is not in violation of any applicable PRC laws or regulations currently in effect and (ii) each of the VIE Contractual Agreements is valid, binding, and enforceable in accordance with their terms and applicable PRC laws or regulations currently in effect. However, uncertainties in the PRC legal system could cause the relevant regulatory authorities to find the current VIE Contractual Agreements and the legal structure to be in violation of any existing or future PRC laws or regulations.

On March 15, 2019, the National People's Congress adopted the Foreign Investment Law of the PRC, which became effective on January 1, 2020, together with their implementation rules and ancillary regulations. The Foreign Investment Law does not explicitly classify contractual arrangements as a form of foreign investment, but it contains a catch-all provision under the definition of "foreign investment", which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. It is unclear whether the Group's corporate structure will be seen as violating the foreign investment rules as the Group is currently leveraging the contractual arrangements to operate certain business in which foreign investors are prohibited from or restricted to investing. If variable interest entities fall within the definition of foreign investment entities, the Group's ability to use the contractual arrangements with the VIE and the Group's ability to conduct business through the VIE could be severely limited.

In addition, if the Group's corporate structure and the contractual arrangements with the VIE through which the Group conducts its business in the PRC were found to be in violation of any existing or future PRC laws and regulations, the Group's relevant PRC regulatory authorities could:

- revoke the business licenses and/or operating licenses of the Group's PRC entities;
- impose fines;
- confiscate any income that they deem to be obtained through illegal operations, or impose other requirements with which the Group may not be able to comply;
- discontinue or place restrictions or onerous conditions on the Group's operations;
- place restrictions on the right to collect revenues;
- shut down the Group's servers or block the Group's mobile app;
- require the Group to restructure ownership structure or operations, including terminating the contractual arrangements with the VIE and deregistering the equity pledges of the VIE, which in turn would affect the ability to consolidate, derive economic interests from the VIE and their subsidiaries;
- restrict or prohibit the use of the proceeds from financing activities to finance the business and operations of the VIE and their subsidiaries; or
- take other regulatory or enforcement actions that could be harmful to the Group's business.

The imposition of any of these penalties may result in a material and adverse effect on the Group's ability to conduct the Group's business. In addition, if the imposition of any of these penalties causes the Group to lose the rights to direct the activities of the VIE or the right to receive its economic benefits, the Group would no longer be able to consolidate the VIE. The management believes that the likelihood for the Group to lose such ability is remote based on current facts and circumstances. However, the interpretation and implementation of the laws and regulations in the PRC and their application to an effect on the legality, binding effect and enforceability of contracts are subject to the discretion of competent PRC authorities, and therefore there is no assurance that relevant PRC authorities will take the same position as the Group herein in respect of the legality, binding effect, and enforceability of each of the contractual arrangements. Meanwhile, since the PRC legal system continues to rapidly evolve, it may lead to changes in PRC laws, regulations, and policies or in the interpretation and application of existing laws, regulations, and policies, which may limit legal protections available to the Group to enforce the contractual arrangements should the VIE or the shareholder of the VIE fail to perform their obligations under those arrangements. In addition, shareholder of the VIE is a PRC holding entity beneficially owned by the Founder, chairman of the board of directors and chief executive officer of the Company. The enforceability, and therefore the benefits, of the contractual agreements between the Company and the VIE depend on shareholder enforcing the contracts. There is a risk that shareholder of VIE, who in some cases is also shareholder of the Company may have conflict of interests with the Company in the future or fails to perform their contractual obligations. Given the significance and importance of the VIE, there would be a significant negative impact to the Company if these contracts were not enforced.

The Group's operations depend on the VIE to honor their contractual agreements with the Group and the enforceability, and therefore the benefits, of the contractual agreements also depends on the authorization by the shareholder of the VIE to exercise voting rights on all matters requiring shareholder approval in the VIE. The Company believes that the agreements on authorization to exercise shareholder's voting power are enforceable against each party thereto in accordance with their terms and applicable PRC laws or regulations currently in effect and the possibility that it will no longer be able to be the primary beneficiary and consolidate the VIE as a result of the aforementioned risks and uncertainties is remote.

In accordance with VIE Contractual Agreements, the Company (1) could exercise all shareholder's rights of the VIE and has power to direct the activities that most significantly affects the economic performance of the VIE, and (2) receive the economic benefits of the VIE that could be significant to the VIE. Accordingly, the Company is considered as the ultimate primary beneficiary of the VIE and has consolidated the VIE's financial results of operations, assets, and liabilities in the Company's unaudited interim condensed consolidated financial statements. Therefore, the Company considers that there are no assets in the VIE that can be used only to settle obligations of the VIE, except for the paid-in capital of the VIE amounting to approximately nil and nil as of June 30, 2022 and September 30, 2022, as well as certain non-distributable statutory reserves amounting to approximately nil and nil as of June 30, 2022 and September 30, 2022. As the VIE are incorporated as limited liability companies under the PRC Company Law, creditors do not have recourse to the general credit of the Company for the liabilities of the VIE. There is currently no contractual arrangement that would require the Company to provide additional financial support to the VIE. As the Group is conducting certain business in the PRC through the VIE, the Group may provide additional financial support on a discretionary basis in the future, which could expose the Group to a loss.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

The VIE holds assets with no carrying value in the unaudited interim condensed consolidated balance sheet that are important to the Company's ability to produce revenue (referred to as unrecognized revenue-producing assets). Unrecognized revenue-producing assets held by the VIE include self-developed App named Qiniu (rebranded from KuaiCai), QianChi (rebranded from BanCai) and Jiangzhen, self-developed courses.

The following consolidated financial information of the VIE after the elimination of inter-company transactions between the VIE and the subsidiaries of the VIE, and including the portion of Listing Businesses in the VIE 2 and its subsidiaries, was included in the accompanying unaudited interim condensed consolidated financial statements of the Group as follows:

	As of	
	June 30, 2022 RMB	September 30, 2022 RMB
ASSETS		
Current assets:		
Cash and cash equivalents	83,449	222,536
Restricted cash	—	92
Short-term investments	54,375	—
Accounts receivable, net	1,937	3,870
Amounts due from related parties	47,394	24,933
Amounts due from intra-Group companies	155,960	130,160
Prepayments and other current assets	111,790	117,957
Total current assets	**454,905**	**499,548**
Property and equipment, net	3,669	3,109
Operating lease right-of-use assets	21,437	19,146
Other non-current assets	9,612	9,230
Total non-current assets	**34,718**	**31,485**
TOTAL ASSETS	**489,623**	**531,033**
Accounts payables	45,178	69,801
Accrued expenses and other current liabilities	77,616	96,862
Income tax payable	7,298	13,093
Contract liabilities, current portion	384,729	436,359
Advance from customers	151,089	143,125
Operating lease liabilities, current portion	14,875	15,418
Total current liabilities	**680,785**	**774,658**
Contract liabilities, non-current portion	8,869	4,587
Operating lease liabilities, non-current portion	6,522	3,739
Total non-current liabilities	**15,391**	**8,326**
TOTAL LIABILITIES	**696,176**	**782,984**

QUANTASING GROUP LIMITED

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Revenues:		
- earned from third-party customers	743,662	629,105
- earned from a related party	—	30,261
Total revenues	**743,662**	**659,366**
Cost of revenues and operating expenses		
- arising from non intra-Group transactions	(750,856)	(642,131)
- arising from the intra-Group technical consulting and related service under VIE Contractual Agreements	(12,736)	(57,075)
Total cost of revenues and operating expenses	**(763,592)**	**(699,206)**
Net loss	**(13,088)**	**(45,398)**

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Cash flows from operating activities:		
Net cash provided by transactions with third-parties	113,913	94,032
Net cash used in transactions with intra-Group companies related to technical consulting and related service under VIE Contractual Agreements	(13,000)	(60,500)
Net cash provided by operating activities	**100,913**	**33,532**
Cash flows from investing activities:		
Net cash (used in)/provided by transactions with third-parties	(76,074)	55,461
Net cash (used in)/provided by transactions with related parties	(21,467)	24,386
Net cash (used in)/provided by transactions with intra-Group companies*	(21,000)	25,800
Net cash (used in)/provided by investing activities	**(118,541)**	**105,647**
Cash flows from financing activities:		
Net cash provided by transactions with Predecessors	6,605	—
Net cash provided by financing activities	**6,605**	**—**

* During the periods presented, the VIE transferred its excess cash to the WFOE for cash management purpose and these amounts were repaid by the WFOE on demand, which were reflected in the cash flows from investing activities with intra-Group companies.

2. Summary of significant accounting policies

(a) Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information. Accordingly, they do not include all the information and footnotes

required by U.S. GAAP for complete financial statements. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted consistent with Article 10 of Regulation S-X. In the opinion of management, the unaudited interim condensed consolidated financial statements and accompanying notes have been prepared on the same basis as the audited financial statements included all adjustments (consisting of normal recurring adjustments) considered necessary by management to a fair statement of the results of operations, financial position and cash flows for the interim periods presented. The unaudited interim condensed consolidated financial statements and related disclosures have been prepared with the presumption that users of the unaudited interim condensed consolidated financial statements have read or have access to the audited consolidated financial statements for the years ended June 30, 2021 and 2022. Interim results of operations are not necessarily indicative of the results for the full year or for any future periods. These unaudited interim condensed consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements as of and for the years ended June 30, 2021 and 2022 and notes thereto also included herein.

(b) Principles of consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of the Company, its subsidiaries, and the consolidated VIE (including its subsidiaries).

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; or has the power to govern the financial and operating policies, to appoint or remove the majority of the members of the board of directors, or to cast a majority of votes at the meeting of directors.

VIE is an entity in which the Company, or its subsidiary, through contractual arrangements, has the power to direct the activities that most impact the entities' economic performance, bears the risks of, and enjoys the rewards normally associated with the controlling financial interest in the entity, and therefore the Company or its subsidiary is the primary beneficiary of the entities.

All significant intercompany transactions and balances between the Company, its wholly owned subsidiaries and the consolidated VIE have been eliminated upon combination.

(c) Use of estimates

The preparation of the unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires the Group to make estimates and assumptions that affect the reported amounts of assets and liabilities and related disclosure of contingent assets and liabilities at the balance sheet date, and the reported revenues and expense during the reporting period and disclosed in the unaudited interim condensed consolidated financial statements and accompanying notes.

Significant accounting estimates reflected in the Group's unaudited interim condensed consolidated financial statements include, but are not limited to revenue recognition based on the expected learning period of the customers, provision of credit losses of receivables, fair value of short-term investments, the valuation allowance of deferred tax assets, as well as the valuation and recognition of share-based compensation arrangements. Actual results could differ from those estimates and such differences may be material to the unaudited interim condensed consolidated financial statements.

(d) Foreign currency translation

The Group's reporting currency is Renminbi ("RMB"). The functional currency of the Company and the Group's subsidiaries incorporated in the Cayman Islands, BVI and Hong Kong is United States dollars

("US$"). The Group's PRC subsidiaries determined their functional currency to be RMB. The determination of the respective functional currency is based on the criteria set out by ASC 830, Foreign Currency Matters.

Transactions denominated in foreign currencies other than functional currency are translated into the functional currency at the exchange rates prevailing on the transaction dates. Assets and liabilities denominated in foreign currencies other than functional currency are remeasured into the functional currency at the exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from foreign currency transactions are recorded in the unaudited interim condensed consolidated statements of operations and comprehensive loss.

The financial statements of the Group's non-PRC entities are translated from their respective functional currency into RMB. Assets and liabilities denominated in foreign currencies are translated into RMB using the applicable exchange rates at the balance sheet date. Equity accounts other than earnings generated in current period are translated into RMB at the appropriate historical rates. Revenues, expenses, gains and losses are translated into RMB using the average exchange-rates for the relevant period.

The resulting foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income in the unaudited interim condensed consolidated statement of changes in invested deficit / shareholders' deficit and a component of other comprehensive income in the unaudited interim condensed consolidated statement of operations and comprehensive loss.

(e) Convenience translation

Translations of the unaudited interim condensed consolidated balance sheet, the unaudited interim condensed consolidated statement of operations and comprehensive loss and the unaudited interim condensed consolidated statement of cash flows from RMB into US$ as of and for the period ended September 30, 2022 are solely for the convenience of the readers and were calculated at the rate of US$1.00=RMB7.1135, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on September 30, 2022. No representation is made that the RMB amounts could have been, or could be, converted, realized, or settled into US$ at that rate on September 30, 2022, or at any other rate.

(f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, time deposits, and funds held in deposit accounts with banks, which are highly liquid and have original maturities of three months or less and are unrestricted as to withdrawal or use.

(g) Accounts receivable

Accounts receivable is recorded at the invoiced amount and do not bear interest. Accounts receivable mainly represent marketing service fees receivable from insurance intermediaries and securities brokerage firms.

The Group's other receivables which were recorded as a component of the prepaid expenses and other current assets and other non-current assets are within the scope of ASC Topic 326. To estimate expected credit losses, the Group has identified the relevant risk characteristics of its customers and the related receivables and other receivables which include size, type of the services or the products the Group provides, or a combination of these characteristics. Receivables with similar risk characteristics have been grouped into pools. For each pool, the Group considers the past collection experience, current economic conditions, future economic conditions (external data and macroeconomic factors) and changes in the

Group's customer collection trends. This is assessed at each quarter based on the Group's specific facts and circumstances. The allowance for credit losses and corresponding receivables were written off when they are determined to be uncollectible.

(h) Fair value measurement

Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices, in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of cash and cash equivalents, restricted cash, other assets, amounts due from a related party, amounts due to a related party, accounts payables and accruals expenses and other current liabilities approximates fair value because of their short-term nature.

Accounting guidance also describes three main approaches to measure the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

When available, the Group uses quoted market prices to determine the fair value of an asset or liability. If quoted market prices are not available, the Group will measure fair value using valuation techniques that use, when possible, current market-based or independently sourced market parameters, such as interest rates and currency rates.

(i) Short-term investments

Short-term investments include wealth management product with variable interest rates or principal non-guaranteed with certain financial institutions. In accordance with ASC 825, Financial Instruments, for

financial products with variable interest rates referenced to performance of underlying assets, the Group elected the fair value method at the date of initial recognition and carries these investments at fair value. Changes in the fair value of these investments are reflected in the unaudited interim condensed consolidated statements of operations and comprehensive loss as investment income and included in "others, net". Fair value is estimated based on quoted prices of similar products provided by financial institutions at the end of each reporting period. The Group classifies these inputs as Level 2 fair value measurement.

(j) Prepayments and other current assets

Prepayments and other current assets mainly consist of prepayments for promotion fees and other service fees, prepaid input value-added tax, deposits, and receivables from third party payment platforms (see Note 5). Prepayments and other current assets are stated at the historical carrying amount net of the allowance for credit losses. The Group reviews other assets on a periodic basis and makes allowances when there is doubt as to the collectability of individual balances. Other assets are written off when they are determined to be uncollectible.

(k) Property and equipment, net

Property and equipment are recorded at cost, less accumulated depreciation and impairment. Depreciation of property and equipment is calculated on a straight-line basis, after consideration of expected useful lives and estimated residual values. The Group has not recorded any impairments of property and equipment for the period presented. The estimated useful lives of these assets are generally as follows:

Category	Estimated useful life
Leasehold improvement	Shorter of the lease term or estimated economic life
Computer and electronic equipment	3 years

Repairs and maintenance costs are charged to expenses as incurred, whereas the costs of renewals and betterment that extend the useful lives of property, plant and equipment are capitalized as additions to the related assets. Gains and losses from the disposal of property and equipment are included in the unaudited interim condensed consolidated statements of operations and comprehensive loss.

(l) Intangible assets

Intangible assets are carried at cost, less accumulated amortization and impairment, if any. Amortization of finite-lived intangible assets is computed using the straight-line method over the estimated useful lives, which is as follows:

Category	Estimated useful life
Insurance brokerage license	52 months
Software	1 year to 2 years

(m) Impairment of long-lived assets

Long-lived assets are evaluated for impairment whenever events or changes in circumstances (such as a significant adverse change to market conditions that will affect the future use of the assets) indicate that the carrying value of an asset may not be fully recoverable or that the useful life is shorter than the Group had originally estimated. When these events occur, the Group evaluates the impairment for the long-lived assets

by comparing the carrying value of the assets to an estimate of future undiscounted cash flows expected to be generated from the use of the assets and their eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying value of the assets, the Group recognizes an impairment loss based on the excess of the carrying value of the assets over the fair value of the assets. No impairment charge was recognized for the three months ended September 30, 2021 and 2022.

(n) Operating Lease

The Group accounts for leases in accordance with ASC 842, Leases ("ASC 842"), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements.

The Group has operating leases primarily for office space. The determination of whether an arrangement is a lease or contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Group obtains substantially all the economic benefits from and has the ability to direct the use of the asset. The Group elects not to apply the recognition requirements of ASC 842 to short-term leases. Variable lease payments are the payments made by a lessee to a lessor for the right to use an underlying asset that vary because of changes in facts or circumstances occurring after the commencement date, other than the passage of time. Variable lease payments are recorded in the period in which the obligation for the payment is incurred. Other operating leases are included in operating lease right-of-use assets, operating lease liabilities, current portion, and operating lease liabilities, non-current portion on the unaudited interim condensed consolidated balance sheets.

The Group uses the implicit rate when readily determinable, or its incremental borrowing rate based on the information available, at the commencement date in determining the present value of lease payments. Certain leases include renewal options and/or termination options. Renewal options are included in the lease term if the Group is reasonably certain to exercise those options while options to terminate the lease are only included in the lease term if the Group is reasonably certain not to exercise those options. Lease expenses are recorded on a straight-line basis over the lease term.

(o) Business combinations

The Group accounts for its business combinations using the acquisition method of accounting in accordance with ASC 805, Business Combinations. The cost of an acquisition is measured as the aggregate of the acquisition date fair values of the assets transferred and liabilities assumed by the Group to the sellers and equity instruments issued. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date, irrespective of the extent of any noncontrolling interests. The excess of (i) the total costs of acquisition, fair value of the noncontrolling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the unaudited interim condensed consolidated statements of operations and comprehensive loss. During the measurement period, which can be up to one year from the acquisition date, the Group may record adjustments to the assets acquired and liabilities assumed with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded on the unaudited interim condensed consolidated statements of operations and comprehensive loss.

The determination and allocation of fair values to the identifiable assets acquired, liabilities assumed and noncontrolling interests is based on various assumptions and valuation methodologies requiring

considerable judgment from management. The most significant variables in these valuations are discount rates, terminal values, the number of years on which to base the cash flow projections, as well as the assumptions and estimates used to determine the cash inflows and outflows. We determine discount rates to be used based on the risk inherent in the related activity's current business model and industry comparisons. Terminal values are based on the expected life of assets, forecasted life cycle and forecasted cash flows over that period.

In a business combination achieved in stages, the Group re-measures the previously held equity interests in the acquiree when obtaining control at its acquisition date fair value and the re-measurement gain or loss, if any, is recognized on the unaudited interim condensed consolidated statements of operations and comprehensive loss.

When there is a change in ownership interests or a change in contractual arrangements that results in a loss of control of a subsidiary, the Company deconsolidates the subsidiary from the date control is lost. Any retained noncontrolling investment in the former subsidiary is measured at fair value and is included in the calculation of the gain or loss upon deconsolidation of the subsidiary.

(p) Revenue recognition

The Group is principally engaged in the operation of an online platform to provide individual online learning services to the individual learners and enterprise services to financial intermediary enterprises in the PRC.

Under ASC 606, the Group determined revenue recognition through the following steps:

– Identification of the contract, or contracts, with a customer;

– Identification of the performance obligations in the contract;

– Determination of the transaction price, including the constraint on variable consideration;

– Allocation of the transaction price to the performance obligations in the contract;

– Recognition of revenue when (or as) the Group satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services provided, stated net of discounts, sales incentives, refunds and value-added taxes ("VAT") collected from customers and remitted to tax authorities. Revenue is recognized when or as the control of the services is transferred to the customer. If control of the services transfers over time, revenue is recognized over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates transaction price to each performance obligation based on its relative standalone selling price. The Group generally determines the standalone selling prices based on the prices charged to customers. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgments on these assumptions and estimates may impact the revenue recognition.

The Group earns its revenues primarily by providing: (i) self-operated online learning services of premium courses to learners through its own online platforms and cooperated online learning services; (ii) enterprise services, including marketing and referral services to insurance intermediaries and securities brokerage firms; and (iii) other services.

(i) Online learning services

The online learning services provided by the Group principally include online financial literacy courses and other personal interest courses.

Self-operated online learning services

The self-operated online learning services refer to online courses whereby the course contents are designed and developed by the Group. The Group is responsible for fulfilling all obligations of the online course delivery according to its sales contracts with the learners. Therefore, the Group determines that the individual learners are the Group's customers and recognizes revenue on a gross basis.

The Group delivered the self-operated online courses through its own online platforms, including Qiniu (rebranded from KuaiCai), QianChi (rebranded from BanCai) and JiangZhen, and there are two modes of delivery, namely (i) online community-based training camps or (ii) self-study e-learnings. With respect to an online community-based training camp, it typically includes organized online interactions between the Group's tutors and the learners in a form of training camp communities, online access of pre-recorded lectures designated for the training camps and certain live broadcasting lectures. The Company considered that these elements in a training camp are not separately identifiable from each other, as the training camp represents the combined output for which the learners have contracted. With respect to a self-study e-learning, it is delivered in a form of pre-recorded lessons for the learners to self-study. The promise to provide access to all lessons of the self e-learnings is a series of distinct services as providing access each day is substantially the same. Therefore, each training camp and self-study e-learning is accounted for as a single performance obligation.

All contracts with the learners are billed in advance and upfront full payment of the fee by the learners is required prior to accessing any enrolled course contents. For sales of packages of training camps and self-study e-learnings of different online courses, the Company allocated the transaction price of the package to the different online courses therein based on their relative standalone selling price.

Revenues of a training camp and of a self-study e-learning are recognized over time as the learners simultaneously receives and consumes the benefits provided by the online courses as they retain access to the course contents.

Contractually, through accessing to the Group's online platforms, the learners retain access to the training camps or self-study e-learnings they purchased for a specified course period (typically 14 calendar days for a training camp and 90 calendar days for a self-study e-learning) since the training camp commencement date or the purchase date of the e-learnings. However, during the periods presented the Group in practice discretionally allows the learners to retain access to the course content beyond the corresponding contractual expiry dates. Therefore, the Group recognizes online course revenue ratably over the longer of the corresponding contractual service period and the estimated average learning period (the "Average Learning Period") of the learners, starting when the online courses can be accessed by the learners and the payments from the learners become non-refundable.

The Group considers a variety of relevant data when estimating the Average Learning Period of the learners for each individual online course, including the weighted-average number of days between the learners' first and last access to the course contents, and the weighted average total hours spent by the paying user to learn the course. The Group believes that considering these factors enables it to determine the best estimation of the time period during which the learners access the online course

content and therefore the service period over which the Group provides services to the learners. For the track record period, the Average Learning Period of the learners is estimated to be in the range of one to three months. While the Group believes its estimates to be reasonable based on the currently available learners information, it may revise such estimates in the future according to the change in pattern of the learners' learning behavior. Any adjustments arising from changes in the estimates of the

Average Learning Periods is applied prospectively.

Cooperated online learning services

The Group generates revenue from cooperated online learning service by providing a platform through Jiangzhen, through which third party online learning service providers can offer their learning services to individual learners. The Group enters into contracts with the learners and also the third-party learning service providers. The Group is only responsible for referring the individual learners to the service provider, while the third-party learning service provider is responsible for developing the course content, delivering the online courses, providing customer support, and providing maintenance of servers allowing the users to access the contents. The Group determines that it is not the principal to the individual learners in this business and revenue is recognized on a net basis at the point in time when the referral service is completed.

(ii) Enterprise services

Revenue from enterprise services mainly includes marketing and referral fees earned from financial intermediary enterprises including insurance intermediaries and securities brokerage firms. The Group's online education content enables third party financial intermediary enterprises to place their sponsored links and reach learners who have desire to purchase insurance products, to open new security trading accounts, or to purchase other products or services provided by the financial intermediary enterprises.

Performance-based online marketing service contracts are signed between the Group and the financial intermediary enterprises to establish the service to be provided by the Group and relevant performance measures. The Group is responsible for referring the individual learners to the financial intermediary enterprises. No enterprise service contract is signed between the Group and the learners who click on the sponsored links.

The Group considered the third party financial intermediary enterprises as its customers, and recognized performance-based online marketing and referral service revenue at the point in time when the service is completed. The determination of the revenue from enterprise services is based on (i) the number of eligible leads referred to the financial intermediary enterprises and (ii) a percentage-based commission or standard unit price for each qualified lead referred. The eligible leads referred to an insurance intermediary are typically leads which successfully purchased insurance products through the insurance intermediary. The eligible leads to a securities brokerage firm are typically leads which successfully opened a brokerage account with the brokerage firm and satisfied quality requirements, including maintaining a minimum balance of average daily asset held by the referred learners in their brokerage accounts. For the variable considerations, the Group only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transactions will not occur.

(iii) Other services

Other services mainly consist of brokerage income from insurance brokerage services. The Group provides insurance brokerage services distributing various health and life insurance products on behalf of insurance companies (its customers). As an agent of the insurance company, the Group sells insurance policies on behalf of the insurance company and earns brokerage commissions determined as a percentage of premiums paid by the insured. The Group has identified its promise to sell insurance policies on behalf of an insurance company as the performance obligation in its contracts with the insurance companies. The Group's performance obligation to the insurance company is satisfied and commission revenue is recognized at the point in time when an insurance policy becomes effective. For the variable considerations, the Group only includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized for such transactions will not occur.

Practical expedients

The Group has used the following practical expedients as allowed under ASC 606:

(i) The effects of a significant financing component have not been adjusted for contracts which the Group expects, at contract inception, that the period between when the Group transfers a promised good or service to the customer and when the customer pays for that good or service will be one year or less.

(ii) The Group applied the portfolio approach in determining the learning period of the customers given that the effect of applying a portfolio approach to a group of learners' behaviors would not differ materially from considering each one of them individually.

(iii) The Group expenses the costs to obtain a contract as incurred when the expected amortization period is one year or less.

Contract balances

Timing of revenue recognition may differ from the timing of invoicing to customers. Accounts receivable represent amounts invoiced and revenue recognized prior to invoicing, when the Group has satisfied its performance obligations and has the unconditional right to payment.

Contract liabilities

Contract liability is related to the payments received by the Group in advance from customers for which the Group's revenue recognition criteria have not been met.

For online learning services, the service considerations are generally collected in advance and initially recorded as advance from customers during the contractual period where the Group allows the learners to ask for a full and unconditional refund. Subsequent to the expiry of the refund period, the balance of the advance from customers is reclassified as a contract liability.

Revenue recognized during the three-month period ended September 30, 2021 and 2022 that was included in the contract liabilities balances at July 1, 2021 and July 1, 2022 amounted to approximately RMB206,106 and RMB182,364, respectively.

As of September 30, 2022, the aggregate amount of transaction price allocated to unsatisfied performance obligations is RMB440,946 which includes balances of contract liabilities which will be recognized as revenue in future periods. The Group expects to recognize RMB436,359 of this balance as revenue over the next 12 months.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

Refund liabilities represent the consideration collected by the Group which it expects to refund to its customers according to refund policy. Refund liabilities are estimated based on the historical refund ratio for each of the revenue streams. In the event that the actual amount of refund made exceeds the estimation, such excessive amount will be deducted from net revenues.

Revenue Disaggregation

The following table sets forth a breakdown of the Group's revenues disaggregated by business line:

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Online learning services		
- Financial literacy courses - self-operated	641,095	468,565
- Other personal interest courses	6,685	116,520
- self-operated	762	116,520
- cooperated	5,923	—
Subtotal	**647,780**	**585,085**
Enterprise services	42,569	73,613
Others	53,692	668
Total revenues	**744,041**	**659,366**

(q) Cost of revenues

Cost of revenues mainly consists of salaries and benefits (including share-based compensation expenses) to instructors and tutors who deliver premium courses, and the course content development staff who develop the premium courses, payment channel fees charged by third-party online payment providers, bandwidth costs, depreciation and amortization of properties and equipment, as well as costs of course materials. The instructors and course content development staff are all full-time employees, and their compensation primarily consists of base salary and bonus. The tutors consist of both full-time tutors and part-time tutors. Tutors' compensation primarily consists of base salary and performance-based compensations.

(r) Sales and marketing expenses

Sales and marketing expenses consist primarily of advertising and marketing promotion expenses, salaries and benefits (including share-based compensation expenses) of sales department staff who are also responsible for developing and delivering introductory courses, and other expenses incurred by the Group's sales and marketing personnel. Advertising expenses are generally paid to the third parties for online promotion and traffic acquisition and are expensed as sales and marketing expenses when the services are received. For the three months ended September 30, 2021 and 2022, advertising and marketing promotion expenses were RMB504,178 and RMB422,207, respectively.

(s) General and administrative expenses

General and administrative expenses consist primarily of salaries and benefits (including share-based compensation expenses) and related expenses for employees involved in general corporate functions, including finance, legal and human resources, rental fees, and professional service fees.

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(t) Research and development expenses

Research and development expenses primarily consist of (i) salaries and benefits for research and development personnel, and (ii) office rental, general expenses and depreciation expenses associated with the research and development activities. The Group's research and development activities primarily consist of the development and enhancement of the Group's applications and platforms.

For internal use software, the Group expenses all costs incurred for the preliminary project stage and post implementation-operation stage of development. The amount of the Group's research and development expenses that qualify to be capitalized during the periods presented was immaterial, and as a result all development costs incurred for development of internal used software have been expensed as incurred.

(u) Share-based compensation expenses

All share-based awards granted to the founder, management, and employees, including restricted ordinary shares and share options, are measured at fair value on grant date. Share based compensation expense is recognized using the graded-vesting method over the requisite service period, which is the vesting period. The Company accounts for share-based compensation benefits granted to grantee in accordance with ASC 718 Stock Compensation. Information relating to the plans is set out in Note 14.

Prior to the Reorganization, all the options and restricted ordinary shares were granted by Predecessors with their own underlying shares. The Predecessors have used the discounted cash flow method to determine the underlying equity fair value of the Predecessors and adopted an equity allocation model to determine the fair value of the underlying ordinary share. The determination of estimated fair value of share-based payment awards on the grant date using binomial option pricing model is affected by the fair value of Predecessors' ordinary shares as well as assumptions regarding a number of complex and subjective variables. These variables include the expected value volatility of Predecessors' shares over the expected term of the awards, actual and projected employee share option exercise behaviors, a risk-free interest rate and any expected dividends, if any.

Some awards are granted with service only conditions and some awards granted with both performance conditions and service conditions. For awards granted with performance conditions and service conditions, the Company evaluates the likelihood of performance conditions being met at each reporting period. Share-based compensation costs are recorded when the performance conditions are considered probable for the number of awards expected to vest on a graded-vesting basis, net of estimated forfeitures, over the requisite service period. The compensation cost of the awards granted with performance conditions and service conditions is measured based on the fair value of the awards when all conditions to establish the grant date have been met.

(v) Employee benefits

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to the employees. Chinese labor regulations require that the PRC subsidiaries and the VIE of the Group make contributions to the government for these benefits based on certain percentages of the employees' salaries, up to a maximum amount specified by the local government. The Group has no legal obligation for the benefits beyond the contributions made. Employee social security and welfare benefits included as expenses in the unaudited interim condensed consolidated statements of operations and

comprehensive loss amounted to RMB27,701 and RMB33,055 for the three months ended September 30, 2021 and 2022, respectively. The total balances of employee welfare benefits, including the accruals for estimated underpaid amounts, were approximately RMB30,974 and RMB37,956 as of June 30, 2022 and September 30, 2022, respectively.

(w) Taxation

Income taxes

Current income taxes are provided based on net profit (loss) for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions.

For interim financial reporting, the Group estimates the annual tax rate based on projected taxable income for the full year and records a quarterly income tax provision in accordance with the guidance on accounting for income taxes in an interim period. As the year progresses, the Group refines the estimates of the year's taxable income as new information becomes available. This continual estimation process often results in a change to the expected effective tax rate for the year. When this occurs, the Group adjusts the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the expected annual tax rate.

Value added Tax ("VAT")

The Group is subject to VAT at the rate of 6% depending on whether the entity is a general taxpayer, and related surcharges on revenue generated from providing services. Entities that are VAT general taxpayers are allowed to offset qualified input VAT, paid to suppliers against their output VAT liabilities. Net VAT balance between input VAT and output VAT is recorded in the line item of accrued expense and other liabilities on the face of balance sheet. The Group records revenue net of value added tax and the Group records the related surcharges as cost of revenues.

(x) Comprehensive loss

Comprehensive loss is defined to include all changes in equity/(deficit) of the Group during a period arising from transactions and other events and circumstances excluding transactions resulting from investments by shareholders and distributions to shareholders. Comprehensive loss includes net loss and foreign currency translation adjustments of the Group.

(y) Segment reporting

The Group's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially all located in the PRC and substantially all the Group's revenues are derived from within the PRC. Therefore, no geographical segments are presented.

(z) Recently issued accounting pronouncements

The Group qualifies as an "emerging growth company", or EGC, pursuant to the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. As an EGC, the Group does not need to comply with

any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40), Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. ASU 2020-06 simplifies the accounting for convertible instruments by reducing the number of accounting models available for convertible debt instruments. This guidance also eliminates the treasury stock method to calculate diluted earnings per share for convertible instruments and requires the use of the if-converted method. The amendments in this Update are effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted. The Group adopted this update on July 1, 2021. The impact of adopting the new standard was not material to the unaudited interim condensed consolidated financial statements.

(aa) Recently issued accounting pronouncements not yet adopted

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes, which simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in ASC 740 and clarifies and amends existing guidance to improve consistent application. For public business entities, the amendments are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption of the amendments is permitted. The Group plans to adopt the update for the fiscal year ended June 30, 2023, and for interim periods within fiscal year beginning July 1, 2023. The impact of adopting the new standard was not expected to be material to the consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (ASU 2021-08), which clarifies that an acquirer of a business should recognize and measure contract assets and contract liabilities in a business combination in accordance with Topic 606, Revenue from Contracts with Customers. The new amendments are effective for public business entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption of the amendments is permitted. The amendments should be applied prospectively to business combinations occurring on or after the effective date of the amendments. The Group has not determined yet to early adopt and plans to adopt the update starting from the fiscal year beginning on July 1, 2024. The Group is currently evaluating the impact of the new guidance on the consolidated financial statements.

3. Concentration and risks

Concentration of foreign currency risk

The Group's operating transactions are mainly denominated in RMB. RMB is not freely convertible into foreign currencies. The value of the RMB is subject to changes by the central government policies and to international economic and political developments. In the PRC, certain foreign exchange transactions are

(All amounts in thousands, except for share data and per share data, or otherwise noted)

required by law to be transacted only through authorized financial institutions at exchange rates set by the People's Bank of China (the "PBOC"). Remittances in currencies other than RMB by the Group in the PRC must be processed through PBOC or other PRC foreign exchange regulatory bodies which require certain supporting documents in order to effect the remittances. As of June 30, 2022, the Group's cash and cash equivalents and short-term investments denominated in RMB were RMB346,667, accounting for 86.87% of the Group's total cash and cash equivalents and short-term investments. As of September 30, 2022, the Group's cash and cash equivalents, restricted cash and short-term investments denominated in RMB were RMB414,113, accounting for 90.73% of the Group's total cash and cash equivalents, restricted cash and short-term investments.

Concentration of customers and suppliers

There were no customers accounted for more than 10% of the Group's total revenues for the three months ended September 30, 2021 and 2022, respectively. There were one and one customer individually accounted for more than 10% of the Group's net accounts receivable as of June 30, 2022 and September 30, 2022, respectively.

	As of	
Accounts receivables, net	June 30, 2022	September 30, 2022
Customer A*	92.2%	85.6%

* *Customer A is Beijing Baichuan Insurance Brokerage Co., Ltd., a related party of the Group, from which the gross accounts receivable for marketing services were RMB23,202 and RMB25,000 as of June 30, 2022 and September 30,2022, respectively, and recorded in "amounts due from related parties", which represents 92.2%, 85.6% of all accounts receivables from third parties and related parties, respectively.*

Also, there was one supplier, an advertising and marketing promotion agency, that individually accounted for more than 10% of the Group's total costs and expenses for the three months ended September 30, 2021. There was no supplier which individually accounted for more than 10% of the Group's total costs and expenses for the three months ended September 30, 2022.

Credit and concentration risk

Financial instruments that potentially expose the Group to significant concentration of credit risk primarily consist of cash and cash equivalents and short-term investment. As of June 30, 2022 and September 30, 2022, substantially all the Group's cash and cash equivalents and short-term investments were held in major financial institutions located in Mainland China and Hong Kong, which management considered to be of high credit quality.

4. Accounts receivable, net

The accounts receivable, net, as of June 30, 2022 and September 30, 2022, consists of the following:

	As of	
	June 30, 2022	September 30, 2022
	RMB	RMB
Enterprise services	1,305	3,955
Others	645	265
Less: allowance for credit losses	(13)	(350)
Accounts receivable, net	**1,937**	**3,870**

(All amounts in thousands, except for share data and per share data, or otherwise noted)

Accounts receivable, net are mainly amounts due from insurance intermediaries and securities brokerage firms, and are non-interest bearing and generally on terms between 30 days to 90 days.

The movements in the allowance for credit losses are as follows:

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Balance at beginning of the period	(446)	(13)
Reversals/(Additions)	278	(337)
Write-offs	—	—
Balance at end of the period	**(168)**	**(350)**

5. Prepayments and other current assets

Prepaid expenses and other current assets as of June 30, 2022 and September 30, 2022, consist of the following:

	As of	
	June 30, 2022	September 30, 2022
	RMB	RMB
Prepayments for promotion fees	86,686	93,623
Prepaid input value-added tax[(i)]	690	953
Prepaid other service fees[(ii)]	13,726	12,285
Receivables from third party payment platforms [(iii)]	9,456	10,193
Staff advance	192	219
Deposits	4,791	1,997
Deferred listing expenses	—	4,283
Others	19	85
Total	**115,560**	**123,638**

(i) Prepaid input value-added tax consists of VAT input that is expected to offset with VAT output tax or to be transferred out in the future.
(ii) Prepaid other service fees consist of prepayment of cloud server hosting fees and others.
(iii) Receivables from third party payment platforms consist of cash that has been received from course participants but held by the third-party payment platforms. The Group subsequently collected the full balance from the third-party payment platforms.

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6. Property and equipment, net

Property and equipment, net as of June 30, 2022 and September 30, 2022 consist of the following:

	As of	
	June 30, 2022	September 30, 2022
	RMB	RMB
Leasehold improvement	5,891	4,087
Computer and electronic equipment	4,773	4,526
Total	10,664	8,613
Less: Accumulated depreciation	(5,495)	(4,168)
Property and equipment, net	**5,169**	**4,445**

Depreciation expenses for the three months ended September 30, 2021 and 2022 were RMB846 and RMB789, respectively.

7. Intangible assets, net

Intangible assets as of June 30, 2022 and September 30, 2022 consist of the following:

	As of	
	June 30, 2022	September 30, 2022
	RMB	RMB
Brokerage license	—	—
Software	1,778	—
Less: Accumulated amortization	(1,778)	—
Intangible assets, net	—	—

On November 27, 2020, Changyou Star purchased 100% equity of Beijing Baichuan Insurance Brokerage Co., Ltd. from third parties for a consideration of RMB30,000. Before the acquisition, there were no operations or employees in the acquiree, and substantially all of the fair value of the gross assets acquired concentrated in the acquiree's insurance brokerage license, thus the acquisition was accounted for as an asset acquisition and management recognized the insurance brokerage license as intangible asset, which had a useful life of 52 months and is amortized on a straight-line basis. The Group then developed the Brokerage Business in Baichuan. On March 1, 2022, the brokerage license was disposed together with the disposal of Baichuan's business (Note 19).

Amortization expense on intangible assets for the three months ended September 30, 2021 and 2022 were RMB2,536 and nil respectively. No impairment for intangible assets was recorded for the three months ended September 30, 2021 and 2022.

8. Accounts payables

These amounts represent liabilities for services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Accounts payables are mainly comprised of marketing promotion expenses payables to third parties as of June 30, 2022 and September 30, 2022.

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9. Accrued expenses and other current liabilities

The following table summarized the Group's outstanding accrued expenses and other current liabilities as of June 30, 2022 and September 30, 2022, respectively:

	As of	
	June 30, 2022	September 30, 2022
	RMB	RMB
Accrued employee payroll and welfare benefits	78,245	93,384
Other accrued expense	16,807	19,485
Other tax payable	12,594	17,280
Refund liability[(i)]	615	1,146
Others	331	424
Total accrued expenses and other current liabilities	**108,592**	**131,719**

(i) Refund liability represents the estimated amounts of consideration collected by the Group which it expects to refund to its customers according to refund policy as described in Note 2(p).

10. Lease

The Group has operating leases for corporate offices with the lease terms from within 1 month to 3 years, some of which include options to terminate the leases within certain periods. For operating leases with terms greater than 12 months, the Group records the related assets and lease liability at the present value of lease payments over the terms. Certain leases include rental escalation clauses, renewal options and/or termination option, which are factored into the Group's determination of lease payments when appropriate.

	As of	
	June 30, 2022	September 30, 2022
	RMB	RMB
Operating lease right-of-use assets, net	23,917	20,599
Operating lease liabilities - current	16,331	15,464
Operating lease liabilities - non current	6,566	3,771

The following table provides a summary of the Group's operating lease expenses and short-term lease expenses:

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Operating lease expenses	4,515	5,919
Short-term lease expenses	739	905

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11. Short-term investments

The following table presents the fair value hierarchy for the Group's assets and liabilities that are measured and recorded at fair value on a recurring basis as of June 30, 2022 and September 30, 2022:

June 30, 2022	Quoted Prices in Active Market for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Other Unobservable Inputs (Level 3) RMB	Balance at Fair Value RMB
Assets				
Wealth management products	—	132,632	—	132,632
Total	**—**	**132,632**	**—**	**132,632**

September 30, 2022	Quoted Prices in Active Market for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Other Unobservable Inputs (Level 3) RMB	Balance at Fair Value RMB
Assets				
Wealth management products	—	6,090	—	6,090
Total	**—**	**6,090**	**—**	**6,090**

The short-term investments represent investment in wealth management products issued by banks in the PRC with expected annualized return ranging from 1.2%~4.5% per annum indexed to the performance of underlying assets. The wealth management products invested by the Group can be redeemed at any time after the respective lock up period. The Group designated them as financial assets at fair value through profit or loss.

To estimate the fair value of wealth management products, the Group values its wealth management products using alternative pricing sources and models utilizing market observables inputs at the end of each period using the discounted cash flow method. The Company classifies the valuation techniques that use these inputs as Level 2 of fair value measurement. For the three months ended September 30, 2021 and 2022, the Company recorded gains or losses resulting from changes in the fair values of short-term investments in the line item "others, net" in the unaudited interim condensed consolidated statements of operations and comprehensive loss.

12. Taxation

Cayman Islands

Under the current laws of the Cayman Islands, the Group is not subject to tax on income or capital gain. Additionally, upon payments of dividends to the shareholders, no Cayman Islands withholding tax will be imposed.

British Virgin Islands ("BVI")

Subsidiaries in the BVI are exempted from income tax on its foreign-derived income in the BVI. There are no withholding taxes in the BVI.

Hong Kong

Hong Kong profits tax rate is 16.5% up to April 1, 2018. When the two-tiered profits tax regime took effect on April 1, 2018, the applicable Hong Kong profits tax rate is 8.25% for assessable profits on the first HK$2 million and 16.5% for any assessable profits in excess of HK$2 million. During the three months ended September 30, 2021 and 2022, Hong Kong profits tax was not provided as there were no taxable profits deriving from Hong Kong.

PRC

Under the PRC Enterprise Income Tax Law ("EIT Law"), the standard enterprise income tax rate is 25%. Entities qualifying as High and New Technology Enterprises ("HNTE") qualify for a preferential tax rate of 15% subject to a requirement that they re-apply for HNTE status every three years. Beijing Feierlai qualified as a HNTE in the calendar year 2020 and is eligible for a preferential enterprise income tax rate of 15% as a "high and new technology enterprise" under the EIT Law in the calendar year 2020.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, property, of a non-PRC company is located". Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the PRC be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, should the Company be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC income tax on worldwide income at a uniform tax rate of 25%.

Withholding tax on undistributed earnings

The EIT law also imposes a withholding income tax of 10% on dividends distributed by a foreign investment enterprise ("FIE") to its immediate holding company outside the PRC, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within the PRC or if the received dividends have no connection with the establishment or place of such immediate holding company within the PRC, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding arrangement. The Cayman Islands, where the Company is incorporated, does not have such tax treaty with the PRC. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006, dividends paid by an FIE in the PRC to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5%. As of June 30, 2022 and September 30, 2022, the Group did not record any withholding tax on undistributed earnings as the PRC entities were still in accumulated deficit position. To the extent that subsidiaries and the consolidated VIE (including its subsidiaries) of the Group have undistributed earnings, the Group will accrue appropriate expected withholding tax associated with repatriation of such undistributed earnings.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

The following table sets forth the component of income tax expenses of the Group for the three months ended September 30, 2021 and 2022:

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Current tax expense	—	(10,375)
Deferred tax benefit	542	—
Income tax benefit/(expense)	542	(10,375)

The following table sets forth reconciliation between the statutory EIT rate and the effective tax rates:

	For the three months ended September 30,	
	2021	2022
Statutory income tax rate in PRC	25.0%	25.0%
Effect due to different tax rates applicable to overseas entities	0.0%	(13.3%)
Permanent differences	(22.6%)	6.1%
Changes in valuation allowance	(1.7%)	(29.7%)
Effective tax rate	0.7%	(11.9%)

The major jurisdiction in which the Group is subject to potential examination is the PRC. In general, the PRC tax authorities have up to five years and in certain cases up to ten years to conduct examinations of the tax filings of the Group. All these related tax years remain subject to examination by the PRC tax authorities potentially.

13. Others, net

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
Government grants	46	303
Fair value changes of short-term investments	1,082	2,448
Others	4,899	3,699
Total	6,027	6,450

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14. Share based compensation expenses

Share based compensation expenses for periods prior to the Reorganization were related to the share options or restricted shares granted by Predecessors to the employees, management and the founders. For the three months ended September 30, 2021 and 2022, total share based compensation expenses pushed down to the Company from the Predecessors were RMB29,133 and nil respectively.

	For the three months ended September 30,	
	2021	2022
	RMB	RMB
(a) Share options issued by Predecessors to employees	28,960	—
(b) Share options issued by Company to employees	—	46,321
(c) Restriction of ordinary shares held by the Founder	173	49
Total	**29,133**	**46,370**

(a) Share options issued by the Predecessors

On April 23, 2018, WN adopted the 2018 WN Share Incentive Plan (the "2018 WN Plan"), whereby the maximum aggregate number of ordinary shares that can be issued under the 2018 WN Plan was 22,317,118 shares.

From July 1, 2018 to April 1, 2021, WN granted several batches of options to employees pursuant to the 2018 WN Plan. These options were to be vested in four equal installments, with 25% of the total options becoming vested on each of the first, second, third and fourth anniversary of the vesting commencement date with certain performance conditions including completion of an IPO (the "IPO condition").

On May 31, 2021, EW adopted the 2021 EW Global Share Plan (the "2021 EW Plan"), whereby the maximum aggregate number of ordinary shares that can be issued under the 2021 EW Plan was 21,717,118 shares.

On May 31, 2021, in connection with the Step 1 Reorganization, the outstanding share options of WN were replaced by the options issued by EW under the 2021 EW Plan, with the IPO condition removed, which was accounted for as a modification. In accordance with ASC 718, such modification was a Type III modification because the original condition is not expected to be satisfied as of the modification date. The incremental fair value of the 14,358,812 shares options is equal to the fair value of the modified awards amounting to RMB253,673. The Group recognized the incremental value for vested awards amounting to RMB35,617 on May 31, 2021 and the incremental value for unvested awards over the remaining vesting period.

From July 1, 2021 to May 31, 2022, EW granted several batches of options to employees pursuant to the 2021 EW Plan. These options were to be vested in four equal installments, with 25% of the total options becoming vested on each of the first, second, third and fourth anniversary of the vesting commencement date with certain performance conditions.

(b) Share options issued by the Company

On May 31, 2022, the Company adopted the 2021 Global Share Plan (the "2021 Plan"), whereby the maximum aggregate number of ordinary shares that can be issued under the 2021 Plan was 21,717,118 shares.

On May 31, 2022, in connection with the Step 2 Reorganization, the outstanding share options of EW were replaced by the options issued by the Company under the 2021 Plan. As the options issued by EW did not

(All amounts in thousands, except for share data and per share data, or otherwise noted)

contain a mandatory equitable adjustment provision, the value of the EW awards immediately before the modification declined significantly, and the modification resulted in incremental fair value because the fair value immediately after modification reflected the new equitable adjustments to the award's terms, which increased its value relative to the EW award that were not adjusted. Thus the modification did not meet the scope exception of modification accounting under ASC 718, and since the options either contained service condition only, or contained performance condition that is considered probable to be satisfied, such modification was accounted for as a Type I probable-to-probable modification, and the compensation cost was recognized based on the original grant-date fair value of the EW award plus the incremental fair value resulting from the modification. The Group recognized the incremental value for vested awards amounting to RMB117,520 on May 31, 2022, which was reflected in the financial statements for the quarter ended June 30, 2022, and the incremental value for unvested awards over the remaining vesting period.

On August 31, 2022, the Company granted 70,000 share options to employees pursuant to the 2021 Plan. These options were to be vested in four equal installments, with 25% of the total options becoming vested on each of the first, second, third and fourth anniversary of the vesting commencement date with certain performance conditions.

A summary of activities of share options of the Predecessors and the Company for the three months ended September 30, 2021 and 2022 is presented below:

	Options Outstanding	Weighted Average Exercise Price (US$)	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (RMB)
Outstanding as of July 1, 2021	**14,318,812**	**0.3229**	**8.70**	**254,748**
Granted	1,090,000	0.8000		
Forfeited	(457,000)	0.4163		
Outstanding as of September 30, 2021	**14,951,812**	**0.3548**	**8.54**	**296,108**
Options vested and exercisable as of September 30,2021	3,975,969	0.0768	7.50	85,911
Outstanding as of July 1, 2022	**15,710,312**	**0.3861**	**7.90**	**346,142**
Granted	70,000	0.8000		
Forfeited	(355,250)	0.6564		
Outstanding as of September 30, 2022	**15,425,062**	**0.3817**	**7.64**	**374,757**
Options vested and exercisable as of September 30,2022	7,653,484	0.2205	7.03	194,705

The weighted average grant date fair value of options granted for the three months ended September 30, 2021 and 2022 were US$2.35 and US$3.10 per share, respectively.

For the three months ended September 30, 2021 and 2022, share-based compensation expenses recognized associated with share options granted by the Predecessors to employees of the Listing Businesses and allocated to the Company were RMB28,960 and nil. For the three months ended September 30, 2022, share-based compensation expenses recognized associated with share options granted to employees by the Company were RMB46,321.

On May 31, 2022, the Company granted 510,500 share options to employees of the Group's related parties controlled by the same shareholders with the Company under the 2021 Plan, to replace their outstanding

(All amounts in thousands, except for share data and per share data, or otherwise noted)

EW share options. As of June 30, 2022, 510,500 share options of the Company were held by the employees of the Group's related parties with the weighted average exercise price of US$0.66 per option and weighted average remaining contractual years of 8.71 years, out of which 121,750 options were vested and exercisable with the weighted average exercise price of US$0.56 per option and weighted average remaining contractual years of 8.45 years. The aggregate intrinsic value of the outstanding options and exercisable options as of June 30, 2022 are RMB10,306 and RMB2,539 respectively. The share awards were measured based on the fair value as of May 31, 2022. The share options granted to employees of the Group's related parties were accounted for as deemed dividend from the Company to its shareholders, as these employees of the related parties do not provide services to the Company. No share options were granted to employees of related parties during the three months ended September 30, 2021 and 2022.

As of June 30, 2022 and September 30, 2022, there were RMB227,395 and RMB195,076 of unrecognized share-based compensation expenses related to the share options granted. The expenses are expected to be recognized over a weighted-average period of 2.39 years and 2.10 years and may be adjusted for future change in forfeitures.

The estimated fair value of each option grant is estimated on the date of grant using the Binominal option-pricing model with the following assumptions:

	For the three months ended September 30,	
	2021	2022
Expected volatility	44.04%	46.01%
Risk-free interest rate (per annum)	1.48%	3.15%
Expected dividend yield	—	—
Expected term (in years)	10	10
Fair value of the underlying shares on the date of option grants (US$)	3.08	3.80

The use of a valuation model requires the Company to make certain assumptions of Predecessors with respect to selected model inputs. The expected volatility is calculated based on the annualized standard deviation of the daily return embedded in historical share prices of comparable companies. The risk-free interest rate is estimated based on the yield to maturity of US treasury bonds based on the expected term of the incentive shares. Predecessors has not declared or paid any cash dividends on its capital stock and does not anticipate any dividend payments on its ordinary shares in the foreseeable future.

(c) Restriction of ordinary shares held by the Founder

On April 25, 2017, in connection with Series A preferred shares purchase agreement of Witty network, Witty Time limited ("Founder Co.") and its three shareholders, the Founder of the Group and two co-founders, entered into a restricted share agreement with Witty network, agreed to place all of their 63,000,200 ordinary shares into escrow to be released back to them only if specified service criteria are met (the "Restricted Shares"). 25% of the Restricted Shares shall be vested after the first anniversary of April 25, 2017, and the remaining 75% of the Restricted Shares shall be vested annually in equal installments over the next three years.

Before April 25, 2018, two co-founders no longer served Witty network and therefore the initial grant of shares has been forfeited. All the 20,353,910 Restricted Shares granted to the two co-founders were repurchased by Witty network, at the price of US$0.0001 per share.

On April 25, 2018, Witty network granted 13,036,792 Ordinary Shares to Founder Co. which is owned by the Founder, for which 25% became vested immediately, and the remaining shall vest every year thereafter in three equal installments. As such, 55,683,082 Restricted Shares were granted to the Founder, of which 25% were vested on April 25, 2018, and the remaining 75%shall vest every year thereafter in three equal installments.

On August 13, 2020, Witty network repurchased 1,640,444 Restricted Shares which have been vested, at the price of US$1.18 per share. The fair value of ordinary shares was US$0.49 per share. The difference between the repurchase price and fair value of the ordinary shares at the time of the repurchase was recorded as compensation expenses. The remaining shares were re-designated as Class B ordinary shares subject to the original restriction terms.

On September 1, 2020, 600,000 vested share options held by individual managers were purchased by the Founder with US$0.85 per share option. Witty network did not receive any proceeds from this transaction.

At the time of the purchase, the IPO condition attached to these options was removed, that is, the options received by the Founder were immediately exercisable. In accordance with ASC 718, the removal of the IPO condition was accounted for as a Type III modification because the original condition was not expected to be satisfied as of the modification date. Therefore, the difference between the purchase price and fair value of these options before modification, which approximately equaled the purchase price, was recorded as share based compensation expenses. In November 2020, these options were approved by the board to be exercised as 600,000 Class A ordinary shares, and the Founder agreed with Witty network to classify 150,000, out of the 600,000 Class A ordinary shares as additional Restricted Shares, with 50% of these shares vested on August 13, 2021 and 2022 respectively. In addition, the Founder further agreed with Witty network that 410,111 Class B ordinary shares of the previously granted Restricted Shares were vested immediately, while the remaining 13,510,660 Class B ordinary shares, being the unvested Restricted Shares, were also modified with 50% vested on August 13, 2021 and 2022 respectively. Such modification did not have any material impact on the fair value of these share options.

On May 31, 2021, all of the then outstanding restricted shares were issued by EW to Founder Co. to replicate the number and terms of restricted shares originally issued by Witty network. On May 31, 2022, all of the then outstanding restricted shares were issued by the Company to Founder CO. to replicate the number and terms of restricted shares originally issued by EW.

On June 1, 2022, the remaining 75,000 shares of these unvested restricted shares were approved to be vested immediately, and the remaining RMB71 of share-based compensation expenses were recognized immediately.

On August 13, 2022, all of the remaining 6,755,330 restricted shares were fully vested.

Such restriction is deemed as a compensatory arrangement for services to be provided by the Founder, and therefore accounted for as a share-based compensation arrangement. The share-based compensation expenses related to restricted shares are recognized on a graded vesting basis.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

A summary of activities of Restricted Shares for the three months ended September 30, 2021 and 2022 is presented below:

	Number of shares	Weighted-Average Grant Date Fair Value (in US$)
Unvested at July 1, 2021	13,660,660	0.07
Granted	—	—
Vested	(6,830,330)	0.07
Unvested at September 30, 2021	**6,830,330**	**0.07**
Unvested at July 1, 2022	6,755,330	0.06
Granted	—	—
Vested	(6,755,330)	0.06
Unvested at September 30, 2022	—	—

15 Ordinary Shares

Prior to incorporation of the Company, Witty network issued ordinary shares to shareholders. As of July 1, 2020, Witty network issued 55,683,082 ordinary shares to Founder Co., of which 13,920,770 ordinary shares were restricted and subject to further service condition of the Founder (Note 14(b)).

On August 13, 2020, 1,640,444 ordinary shares were repurchased by Witty network (Note 14(b)), and the remaining 54,042,638 ordinary shares (including 13,920,770 unvested restricted shares) were all re-designated as Class B ordinary shares with ten votes per share.

On November 4, 2020, 600,000 Class A ordinary shares with one vote per share were issued by Witty network to Founder Co. for nominal consideration, of which 150,000 ordinary shares were restricted and subject to further service condition of the Founder (Note 14(b)).

On May 31, 2021, 600,000 Class A ordinary shares and 54,042,638 Class B ordinary shares were issued by EW to Founder Co. to replicate the number and terms of ordinary shares originally issued by Witty network.

On February 9, 2022, the Company was incorporated in the Cayman Islands with an authorized share capital of US$50,000, divided into 500,000,000 shares with a par value of US$0.0001 each. Upon its incorporation, 1 share was allotted and issued to Founder Co. and credited as fully paid.

Upon completion of the Step 2 Reorganization, the authorized share capital of the Company is US$50,000 consisting of 500,000,000 shares of a nominal or par value of US$0.0001 each, of which:

(i) 345,113,731 are designated as class A ordinary shares of a par value of US$0.0001 each (the “Class A Ordinary Shares”),

(ii) 54,042,638 are designated as class B ordinary shares of a par value of US$0.0001 each (the “Class B Ordinary Shares”, together with the Class A Ordinary Shares, collectively the “Ordinary Shares”),

(iii) 22,000,000 are designated as convertible redeemable series A preferred shares of a par value of US$0.0001 each (the “Series A Preferred Shares”),

(iv) 23,983,789 are designated as convertible redeemable series B preferred shares of a par value of US$0.0001 each (the “Series B Preferred Shares”),

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(v) 7,913,872 are designated as convertible redeemable series B-1 preferred shares of a par value of US$0.0001 each (the "Series B-1 Preferred Shares"),

(vi) 20,327,789 are designated as convertible redeemable series C preferred shares of a par value of US$0.0001 each (the "Series C Preferred Shares"),

(vii) 11,818,754 are designated as convertible redeemable series D preferred shares of a par value of US$0.0001 each (the "Series D Preferred Shares"), and

(viii) 14,799,427 are designated as convertible redeemable series E preferred shares of a par value of US$0.0001 each (the "Series E Preferred Shares").

Holder of each of the Class A Ordinary Shares is entitled to one vote per share and holder of each of the Class B Ordinary Shares is entitled to ten votes. Class B Ordinary Shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Only Class B Ordinary Shares held by the Founder and Founder Co. enjoy ten votes for every Class B Ordinary Share on a poll.

On May 31, 2022, 600,000 Class A ordinary shares and 54,042,638 Class B ordinary shares were issued to Founder Co., of which 75,000 Class A ordinary shares and 6,755,330 Class B ordinary shares were still restricted and shall vest in the remaining service period (Note 14(b)). Ordinary shares of the Company were recognized upon issuance of the shares by the Company based on their par value.

On June 1, 2022, 4,183,589 Class B ordinary shares re-designated as the same number of Class A ordinary shares, and 75,000 unvested restricted shares held by the Founder Co. were approved to be vested into Class A ordinary shares.

On August 13, 2022, all of the remaining 6,755,330 restricted shares were fully vested, and the restriction on these Class B ordinary shares was removed.

16 Preferred Shares

Predecessors' preferred shares

Prior to incorporation of the Company, Witty network has issued preferred shares to certain investors. The following table summarizes the issuances of preferred shares by Witty network:

Series	Issuance Date	Shares Issued	Issue Price per share (US$)	Aggregated issuance price (US$)
WN-A	April 2017	22,000,000	0.0455	1,001
WN-B	April 2018	23,983,789	0.1800	4,317
WN-B-1	May 2018	7,913,872	0.3146	2,489
WN-C	June 2018	20,327,789	0.5686	11,559
WN-D	August 2020	11,818,754	1.1825	13,975
WN-E	November 2020	14,799,427	2.3398	34,628

In August 2020, in connection with the issuance of series WN-D preferred shares, terms of series WN-A, WN-B, WN-B-1, and WN-C preferred shares were modified to include a redemption right.

On May 31, 2021, preferred shares were issued by EW in connection with the Step 1 Reorganization to replicate the number and terms of preferred shares originally issued by Witty network.

On May 31, 2022, preferred shares were issued the Company in connection with the Step 2 Reorganization to replicate the number and terms of preferred shares originally issued by EW.

Preferred shares of the Company

The key terms of the preferred shares of the Company are as follows:

Conversion Rights

Unless converted earlier pursuant to Automatic Conversion below, each holder of preferred shares shall have the right, at such holder's sole discretion, to convert all or any portion of the preferred shares into Class A ordinary shares at any time.

Automatic Conversion: Each preferred share shall automatically be converted into Class A Ordinary Shares, at the then applicable conversion price (i) upon the closing of a qualified initial public offering ("QIPO"), and (ii) upon the prior written approval of the holders of a majority of the outstanding preferred shares of each class with respect to conversion of each class.

The initial conversion ratio of preferred shares to ordinary shares shall be 1:1, and shall be subject to adjustments in the event of issuance or deemed issuance of additional ordinary shares below the preferred share conversion price, or share dividends, subdivisions, combinations or consolidations of ordinary shares, other distributions, or reclassification, exchange and substitution.

Redemption Rights

The preferred shareholders shall have redemption rights upon the occurrence of any of the following events: (i) the Company fails to complete QIPO or a trade sale within four (4) years after the closing date of the issuance of Series E preferred shares of Witty network; (ii) a material breach by the Group or the Founder or the Founder Co., (iii) the termination of the Founder's employment/services contract with the Group due to the voluntary termination by the Founder, or (iv) the time when any material adverse change occurs, under which circumstance the captive structure of the Group companies which is established through the VIE Contractual Agreements becomes, or has become invalid, illegal or unenforceable (each a "Redemption Event"); then each preferred share shall be redeemable upon the request of any preferred shareholder.

The redemption price for each outstanding preferred share shall be equal to the product of (x) the applicable deemed preferred share issue price as set forth in the Company's Memorandum of Association, and (y) (1+8%*N), where N equals to a fraction, (A) the numerator of which is the number of calendar days between the applicable original issue date (as defined in the Company's Memorandum of Association) and the date on which the relevant redemption price is paid in full and (B) the denominator of which is 365, plus any declared but unpaid dividends.

Liquidation preference

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series E Preferred Shares shall be entitled to receive, prior to any distribution to the holders of any other class or series of shares then outstanding, an amount per Series E Preferred Share equal to (i) one hundred and twenty five percent (125%) of the applicable Series E deemed preferred share issue price, plus (ii) all accrued or declared but unpaid dividends. The holders of other series of Preferred Shares

shall be entitled to receive an amount per share equal to (i) one hundred percent (100%) of the respective deemed preferred share issue price, plus (ii) all accrued or declared but unpaid dividends.

Unless waived in writing by the majority of the outstanding preferred shares of each class, (i) the acquisition of the Company (whether by a sale of equity, merger or consolidation) in which in excess of 50% of the Company's voting power outstanding before such transaction is transferred, (ii) the exclusive licensing of all or substantially all of the Company's proprietary rights; or (iii) a sale, transfer or other disposition of all or substantially all the Company's assets, shall be deemed a liquidation, dissolution or winding up of the Company.

Dividend Rights

Holders of the preferred shares shall be entitled to receive any cash or non-cash dividends declared by the Board (including the approval of each investor director) on an as-converted basis.

Voting Rights

Each preferred share shall carry a number of votes equal to the number of Class A Ordinary Shares then issuable upon its conversion into Class A Ordinary Shares at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited.

Accounting for preferred shares

The Company classified the preferred shares in the mezzanine equity of the unaudited interim condensed consolidated balance sheets as they are contingently redeemable at the options of the holders. The Company also determined that the embedded conversion features and the redemption features do not require bifurcation as they either are clearly and closely related to the preferred shares or do not meet the definition of a derivative.

Preferred shares of the Company were recognized upon the issuance of the shares by the Company on the completion date of the Reorganization and measured based on portion of carrying value of the Predecessors' preferred shares attributable to the Listing Businesses using the relative fair value method. The preferred shares was subsequently be accreted to its redemption value (if higher than the fair value at issue date). The Company records accretion on the preferred shares, where applicable, to the redemption value from the issuance date to the earliest redemption dates. The accretion calculated using the effective interest method, is recorded against retained earnings, or in the absence of retained earnings, by charging against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges are recorded by increasing the accumulated deficit. The issuance costs for Preferred Shares were nil for the periods presented. The accretion of preferred shares to redemption value was RMB2,987 for the period from the issuance date to September 30, 2022.

QUANTASING GROUP LIMITED

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

The Group's preferred shares activities for the three months ended September 30, 2022 are summarized below:

	Series A		Series B		Series B-1		Series C		Series D		Series E		Total	
	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB	Number of shares	Amount RMB
Balance as of July 1, 2022	22,000,000	82,002	23,983,789	94,833	7,913,872	33,612	20,327,789	108,892	11,818,754	104,156	14,799,427	240,665	100,843,631	664,160
Accretion of preferred share redemption value	—	—	—	—	—	—	—	1,233	—	2,385	—	5,851	—	9,469
Balance as of September 30, 2022	22,000,000	82,002	23,983,789	94,833	7,913,872	33,612	20,327,789	110,125	11,818,754	106,541	14,799,427	246,516	100,843,631	673,629

17. Loss per share

Basic net loss per share is the amount of net loss available to each share of ordinary shares outstanding during the reporting period. Diluted net loss per share is the amount of net loss available to each share of ordinary shares outstanding during the reporting period adjusted to include the effect of potentially dilutive ordinary equivalent shares.

On May 31, 2022, the Company completed the Reorganization and issued 54,642,638 ordinary shares, of which 47,812,308 ordinary shares were outstanding, and issued 100,843,631 preferred shares which had the same number and terms of preferred shares originally issued by EW immediately before the Reorganization completion (See Note 15 and 16).

In computing the basic and diluted loss per share for the periods presented, the effect of the Reorganization was accounted for in a manner similar to a stock split or stock dividend which was accounted for in accordance with ASC 260. Thus, the number of the ordinary shares and preferred shares newly issued by the Company was retrospectively included since the beginning of the earliest period presented or the original issuance date of Predecessors, whichever is later, in calculating the loss per ordinary share.

(All amounts in thousands, except for share data and per share data, or otherwise noted)

Basic loss per share and diluted loss per share were calculated in accordance with ASC 260 Earnings per share for the three months ended September 30, 2021 and 2022 as below:

	For Three Months Ended September 30,	
	2021	2022
	RMB	RMB
Numerator:		
Net loss	(77,927)	(97,278)
Allocation of accretion of Predecessors' preferred shares (i)	(6,122)	—
Accretion of the Company's preferred shares	—	(9,469)
Net loss attributable to ordinary shareholders of QuantaSing Group Limited	(84,049)	(106,747)
Denominator:		
Weighted average number of ordinary shares outstanding — basic and diluted (ii)	46,836,816	54,439,786
Net loss per share — basic and diluted	(1.79)	(1.96)

For the purpose of calculating loss per share for the periods before the Step 2 Reorganization, accretion and the deemed dividend incurred by the preferred shares issued by WN and EW (the "Predecessors' preferred shares") were allocated to the Listing Businesses based on the relative fair value of the Listing Businesses and the Predecessors group.

(i) The accretion of Predecessors' preferred shares to redemption value attributable to the Listing Businesses was RMB6,122 for the three months ended September 30, 2021.

(ii) Basic and diluted net loss per share are computed using the weighted average number of ordinary shares outstanding during the period, including 2,291,186 and 3,027,958 vested options with nominal exercise price for the three months ended September 30, 2021 and 2022.

For the three months ended September 30, 2021 and 2022, the Company had potential ordinary shares, including preferred shares, share options and restricted shares. On a weighted average basis, 100,843,631 and 100,843,631 preferred shares, 5,799,782 and 4,947,972 share options, and 10,097,010 and 3,230,810 restricted shares were excluded from the computation of diluted net loss per ordinary share because including them would have had an anti-dilutive effect for the three months ended September 30, 2021 and 2022, respectively.

18. Related party transactions

The Group's unaudited interim condensed consolidated financial statements include costs and expenses allocated from the Predecessors for periods prior to the Reorganization, amounted to RMB35,577 for the three months ended September 30, 2021. In addition, the Predecessors provided cash funding support to the Group to satisfy the Listing Businesses' working capital requirements. See Note 1(b) for more detailed information.

The Group has historically relied on the Predecessors for certain of the Group's funding.

QUANTASING GROUP LIMITED

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(All amounts in thousands, except for share data and per share data, or otherwise noted)

The table below sets forth the major related parties and their relationships with the Group as of June 30，2022 and September 30, 2022:

Name of related parties	Relationship with the Group
Mr. Peng Li	The Founder
EW Technology Limited	Entity controlled by the same shareholders with the Company
Beijing Baichuan Insurance Brokerage Co., Ltd.	Entity controlled by the same shareholders with the Company
Shenzhen Shanchangshuiyuan Network Technology Co., Ltd.	Entity controlled by the same shareholders with the Company
Beijing Xingyuejiaohui Network Technology Co., Ltd.	Entity controlled by the same shareholders with the Company
Beijing Shanronghaina Network Technology Co., Ltd.	Entity controlled by the same shareholders with the Company
Baichuanxianghai Technology Co., Ltd	Entity controlled by the same shareholders with the Company
Shenzhen Erwan Education Technology Limited	Entity controlled by the Founder

(a) The related party transactions entered into during the three months ended September 30, 2021 and 2022 were as follows:

Transactions	For the three months ended September 30, 2021 RMB	For the three months ended September 30, 2022 RMB
(i) Transactions recorded in revenue (1)	—	30,261
(ii) Other transactions		
—Repayment of borrowings from related parties	(28,460)	—
—Borrowings from related parties	37,650	—
—Lending to related parties	(39,340)	—
—Repayment of lending to related parties	17,843	22,386
—Disposal of subsidiaries to related parties (2)	—	2,000

(b) The outstanding balance due from related parties as of June 30, 2022 and September 30, 2022 were as follows. There was no outstanding balance due to related parties as of June 30, 2022 and September 30, 2022.

	As of June 30, 2022 RMB	As of September 30, 2022 RMB
Due from related parties	**47,394**	**24,933**
Due from Beijing Baichuan Insurance Brokerage Co., Ltd. (1)	23,008	24,933
Other receivable from Beijing Shanronghaina Network Technology Co., Ltd. (2)	2,000	—
Loan receivable from Baichuanxianghai Technology Co., Ltd.	11,886	—
Loan receivable from Beijing Baichuan Insurance Brokerage Co.Ltd.	10,500	—

Note:

(1) Beijing Feierlai has been providing marketing services to Beijing Baichuan Insurance Brokerage Co., Ltd. by referring learners to purchase insurance policies and earned commissions for the service, which was recorded as revenues from related parties subsequent to the disposal of Baichuan.

(2) The Group disposed of ChangYou Star to Beijing Shanronghaina Network Technology Co., Ltd. at a consideration of RMB22,000 in March 2022, and RMB2,000 of consideration for disposal of Baichuan has not been collected as of June 30, 2022; the amount has been fully collected during the three months ended September 30, 2022.

(3) All of the loans to related parties were unsecured and with maturity of less than a year. The loans receivable as of June 30, 2022 have been fully collected during the three months ended September 30, 2022.

There were no other material related party transactions occurred in the periods presented.

19. Commitments and contingencies

Operating lease commitment

As of September 30, 2022, there were no unconditional purchase obligations, such as future lease payment under non-cancelable agreements, that have not been recognized on the balance sheet.

Legal Proceedings

As of June 30, 2022 and September 30, 2022, the Group was not involved in any legal or administrative proceedings that may have a material adverse impact on the Group’s business, financial position results of operations, or cash flows.

20. Subsequent events

In November 2022, the Group entered into a new lease agreement with a third party with lease period from December 1, 2022 to November 30, 2025. The lease is for corporate offices and the total undiscounted lease payment is approximately RMB100,875.

In November 2022, the Company reduced the exercise prices of 7,190,000 share options granted to employees before September 30, 2022 under the 2021 Plan, and all other terms of these options remain unchanged. The incremental fair value resulted from the modification of these share options is accounted for subsequent to the balance sheet date.

On December 20, 2022, the Company increased its authorized share capital by US$20,000 divided into 200,000,000 Class A Ordinary Shares.

The Group has evaluated subsequent events through December 20, 2022, which is the date the unaudited interim condensed consolidated financial statements are issued, with no other material events or transactions identified that should have been recorded or disclosed in the unaudited interim condensed consolidated financial statements.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Cayman Islands law does not limit the extent to which a company's articles of association may provide indemnification of officers and directors, except to the extent that any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as providing indemnification against fraud, dishonesty or the consequences of committing a crime.

Our post-offering memorandum and articles of association that will become effective immediately prior to the completion of this offering provide that each officer or director of our company shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such director or officer, other than by reason of such person's own dishonesty or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his or her duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Under the form of indemnification agreement filed as Exhibit 10.3 to this registration statement, we will agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or executive officer.

The underwriting agreement, the form of which is filed as Exhibit 1.1 to this registration statement, also provides for indemnification by the underwriters of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in this registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued and sold the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act pursuant to Section 4(2) of the Securities Act regarding transactions not involving a public offering or in reliance on Regulation S or Rule 701 under the Securities Act regarding sales by an issuer in offshore transactions. No underwriters were involved in these issuances of securities.

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Pre-offering Class A Ordinary Shares			
Sertus Nominees (Cayman) Limited	February 9, 2022	1	*
WITTY TIME LIMITED†	May 31, 2022	599,999	*
Pre-offering Class B Ordinary Shares			
WITTY TIME LIMITED†	May 31, 2022	54,042,638	*

Securities/Purchaser	Date of Sale or Issuance	Number of Securities	Consideration
Series A Preferred Shares			
K2 EVERGREEN PARTNERS LIMITED	May 31, 2022	3,300,000	*
K2 FAMILY PARTNERS LIMITED	May 31, 2022	4,675,000	*
K2 PARTNERS III LIMITED	May 31, 2022	14,025,000	*
Series B Preferred Shares			
DCM Ventures China Fund (DCM VIII), L.P.	May 31, 2022	20,153,473	*
DCM VIII, L.P.	May 31, 2022	1,667,089	*
DCM Affiliates Fund VIII, L.P.	May 31, 2022	496,556	*
K2 PARTNERS III LIMITED	May 31, 2022	1,250,003	*
K2 FAMILY PARTNERS LIMITED	May 31, 2022	416,668	*
Series B-1 Preferred Shares			
GGV Discovery I, L.P.	May 31, 2022	6,322,377	*
GGV Capital VI Entrepreneurs Fund L.P.	May 31, 2022	272,516	*
Prospect Avenue Capital Inc.	May 31, 2022	1,318,979	*
Series C Preferred Shares			
Qiming Venture Partners VI, L.P.	May 31, 2022	10,376,581	*
Qiming Managing Directors Fund VI, L.P.	May 31, 2022	279,214	*
K2 PARTNERS III LIMITED	May 31, 2022	395,694	*
K2 FAMILY PARTNERS LIMITED	May 31, 2022	131,898	*
DCM Ventures China Fund (DCM VIII), L.P.	May 31, 2022	4,590,654	*
DCM VIII, L.P.	May 31, 2022	379,737	*
DCM Affiliates Fund VIII, L.P.	May 31, 2022	113,108	*
GGV Discovery I, L.P.	May 31, 2022	3,893,097	*
GGV Capital VI Entrepreneurs Fund L.P.	May 31, 2022	167,806	*
Series D Preferred Shares			
GGV Discovery I, L.P.	May 31, 2022	793,126	*
GGV Capital VI Entrepreneurs Fund L.P.	May 31, 2022	34,186	*
Qiming Venture Partners VI, L.P.	May 31, 2022	805,635	*
Qiming Managing Directors Fund VI, L.P.	May 31, 2022	21,678	*
Prospect Avenue Capital Limited Partnership	May 31, 2022	10,164,129	*
Series E Preferred Shares			
VM EDU Fund I, L.P.	May 31, 2022	8,860,169	*
Lingfeng Capital Partners Fund I, LP	May 31, 2022	3,419,031	*
Foley Square Investment Limited	May 31, 2022	1,046,424	*
GGV Discovery I, L.P.	May 31, 2022	409,719	*
GGV Capital VI Entrepreneurs Fund L.P.	May 31, 2022	17,660	*
Qiming Venture Partners VI, L.P.	May 31, 2022	1,019,005	*
Qiming Managing Directors Fund VI, L.P.	May 31, 2022	27,419	*

* These shares were issued at nominal value for the purpose of our restructuring and spin-off. See “Corporate History and Structure” and “Description of Share Capital — History of Securities Issuance” for more information.

† See “Description of Share Capital — History of Securities Issuance” for more information.

Item 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

See Exhibits Index beginning on page II-5 of this registration statement.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) For the purpose of determining liability under the Securities Act to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(4) For the purpose of determining any liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in an offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material II-3 information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

QUANTASING GROUP LIMITED
EXHIBITS INDEX

Exhibit No.	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1#	Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2	Form of Second Amended and Restated Memorandum and Articles of Association of the Registrant, effective immediately prior to the completion of this offering
4.1*	Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2	Registrant's Specimen Certificate for Class A ordinary shares
4.3*	Form of Deposit Agreement, among the Registrant, the depositary and all holders and beneficial owners of American Depositary Shares
4.4#	Amended and Restated Shareholders' Agreement between the Registrant and other parties thereto dated December 20, 2022
5.1	Opinion of Maples and Calder (Hong Kong) LLP regarding the validity of the ordinary shares being registered
8.1	Opinion of Maples and Calder (Hong Kong) LLP regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2	Opinion of CM Law Firm regarding certain PRC tax matters (included in Exhibit 99.2)
10.1	2018 Share Incentive Plan
10.2	2021 Share Incentive Plan
10.3	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers
10.4	Form of Employment Agreement between the Registrant and each of executive officers
10.5	English translation of Exclusive Consultancy and Service Agreement among Beijing Liangzizhige Technology Co., Ltd. and Feierlai (Beijing) Technology Co., Ltd. dated May 20, 2021
10.6#	English translation of Equity Pledge Agreement among Beijing Liangzizhige Technology Co., Ltd., Feierlai (Beijing) Technology Co., Ltd. and the shareholder of Feierlai (Beijing) Technology Co., Ltd. dated May 20, 2021
10.7#	English translation of Exclusive Option Agreement among Beijing Liangzizhige Technology Co., Ltd., Feierlai (Beijing) Technology Co., Ltd. and the shareholder of Feierlai (Beijing) Technology Co., Ltd. dated May 20, 2021
10.8#	English translation of Voting Rights Proxy Agreement issued among Beijing Liangzizhige Technology Co., Ltd., Feierlai (Beijing) Technology Co., Ltd. and the shareholder of Feierlai (Beijing) Technology Co., Ltd. dated as of May 20, 2021
21.1	Principal Subsidiaries of the Registrant
23.1	Consent of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm
23.2	Consent of Maples and Calder (Hong Kong) LLP (included in Exhibit 5.1)
23.3	Consent of CM Law Firm (included in Exhibit 99.2)
23.4	Consent of Pei Hua (Helen) Wong, an independent director appointee
23.5	Consent of Hongqiang Zhao, an independent director appointee

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Exhibit No.	Description of Exhibit
24.1	Powers of Attorney (included on signature page)
99.1	Code of Business Conduct and Ethics of the Registrant
99.2	Opinion of CM Law Firm regarding certain PRC law matters
99.3	Consent of Frost & Sullivan
107	Filing Fee Table

* To be filed by amendment

Portions of this exhibit has been omitted in accordance with Item 601(b)(10) (iv) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement on Form F-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Beijing, China, on December 20, 2022.

QuantaSing Group Limited

By: /s/ Peng Li
Name: Peng Li
Title: Chairman and chief executive officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Mr. Peng Li and Mr. Dong Xie as attorney-in-fact with full power of substitution for her or him in any and all capacities to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Securities Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Securities Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 (the "Registration Statement") to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Securities Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement on Form F-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Peng Li Peng Li	Chairman and chief executive officer (*Principal Executive Officer*)	December 20, 2022
/s/ Jinshan Li Jinshan Li	Director and chief technology officer	December 20, 2022
/s/ Frank Lin Frank Lin	Director	December 20, 2022
/s/ Yu Cui Yu Cui	Director	December 20, 2022

Signature	Title	Date
/s/ Dong Xie Dong Xie	Director and chief financial officer (*Principal Financial and Accounting Officer*)	December 20, 2022
/s/ Xihao Liu Xihao Liu	Director and vice president	December 20, 2022

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of QuantaSing Group Limited, has signed this registration statement or amendment thereto in New York on December 20, 2022.

COGENCY GLOBAL INC.
Authorized U.S. Representative

By: /s/ COLLEEN A. DE VRIES
Name: Colleen A. De Vries
Title: Senior Vice-President on behalf of Cogency Global Inc.

IN ACCORDANCE WITH ITEM 601(B)(10)(IV) OF REGULATION S-K, CERTAIN IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THE EXHIBIT BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

THE COMPANIES ACT (AS REVISED)

OF THE CAYMAN ISLANDS

EXEMPTED COMPANY LIMITED BY SHARES

AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

QUANTASING GROUP LIMITED

(Adopted by way of Special Resolutions passed on May 31, 2022)

NAME

1. The name of the Company is QuantaSing Group Limited.

REGISTERED OFFICE

2. The Registered Office of the Company shall be at Office of Sertus Incorporations (Cayman) Limited, Sertus Chambers, Governors Square, Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands, Cayman Islands, or at such other place as the Directors may from time to time decide.

GENERAL OBJECTS AND POWERS

3. Subject to the following provisions of this Memorandum, the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act (As Revised) or as revised, or any other law of the Cayman Islands.

LIMITATION OF LIABILITY

4. The liability of each Member of the Company is limited to the amount from time to time unpaid on such Member's shares.

CURRENCY

5. Shares in the Company shall be issued in the currency of the United States of America.

AUTHORIZED CAPITAL

6. The authorized share capital of the Company is US$50,000 consisting of 500,000,000 shares of a nominal or par value of US$0.0001 each, of which: (i) 345,113,731 are designated as class A ordinary shares of a nominal or par value of US$0.0001 each (the "Class A Ordinary Shares"), (ii) 54,042,638 are designated as class B ordinary shares of a nominal or par value of US$0.0001 each (the "Class B Ordinary Shares", together with the Class A Ordinary Shares, collectively the "Ordinary Shares"), (iii) 22,000,000 are designated as convertible redeemable series A preferred shares of a nominal or par value of US$0.0001 each (the "Series A Preferred Shares"), (iv) 23,983,789 are designated as convertible redeemable series B preferred shares of a nominal or par value of US$0.0001 each (the "Series B Preferred Shares"), (v) 7,913,872 are designated as convertible redeemable series B-1 preferred shares of a nominal or par value of US$0.0001 each (the "Series B-1 Preferred Shares"), (vi) 20,327,789 are designated as convertible redeemable series C preferred shares of a nominal or par value of US$0.0001 each (the "Series C Preferred Shares"), (vii) 11,818,754 are designated as convertible redeemable series D preferred shares of a nominal or par value of US$0.0001 each (the "Series D Preferred Shares"), and (viii) 14,799,427 are designated as convertible redeemable series E preferred shares of a nominal or par value of US$0.0001 each (the "Series E Preferred Shares"), with power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Act (As Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether declared to be Preferred Shares or otherwise shall be subject to the powers hereinbefore contained.

EXEMPTED COMPANY

7. If the Company is registered as exempted, its operations will be carried on subject to the provisions of Section 193 of the Companies Act (As Revised) and, subject to the provisions of the Companies Act (As Revised) and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

REGISTERED SHARES AND BEARER SHARES

8. Shares of the Company may be issued as registered shares only. The Company shall not issue bearer shares.

DEFINITIONS

9. The meanings of terms used in this Memorandum of Association are as defined in the Articles of Association.

THE COMPANIES ACT (AS REVISED)

OF THE CAYMAN ISLANDS

EXEMPTED COMPANY LIMITED BY SHARES

AMENDED AND RESTATED
ARTICLES OF ASSOCIATION

OF

QUANTASING GROUP LIMITED

(Adopted by way of a Special Resolution passed on May 31, 2022)

PRELIMINARY

The regulations in Table A in the Schedule to the Law (as defined below) do not apply to the Company.

1. In these Articles and the Memorandum, if not inconsistent with the subject or context, the words and expressions standing in the first column of the following table shall bear the meanings set opposite them respectively in the second column thereof.

Words	Meanings
BVI Company	WITTY TIME LIMITED (穎時有限公司), a company organized and existing under the laws of the British Virgin Islands.
BVI Subsidiary	Hundreds of Mountains Limited, a company organized and existing under the laws of the British Virgin Islands
Cause	means any one of the following grounds: (i) material dishonesty on the part of the Founder which materially and adversely affects any Group Company; (ii) repeated drunkenness or use of illegal drugs which materially and adversely interferes with the performance of the Founder's obligations and duties of service or employment agreement; or (iii) the Founder's conviction of a felony, or any crime involving fraud or misrepresentation or violation of applicable securities laws.
Class A Ordinary Shares	Class A ordinary shares with the par value of US$0.0001 each in the capital of the Company.
Class B Deemed Preferred Share Issue Price	(i) with respect to the Series B Preferred Shares, US$0.1800 per share for each Series B Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein; and (ii) with respect to the Series B-1 Preferred Shares, US$0.314556745 per share for each Series B-1 Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.
Class B Ordinary Shares	Class B ordinary shares with the par value of US$0.0001 each in the capital of the Company.
Class B Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Class B Preferred Shares.

Class B Preferred Shares	collectively the Series B Preferred Shares and Series B-1 Preferred Shares.
Companies Act	means Companies Act (As Revised), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.
Control Documents	means the following contracts and instruments, as amended from time to time: (i) the Exclusive Business Cooperation Agreement (独家业务合作协议) entered into by and between Beijing Liangzizhige Technology Co., Ltd. (北京量子之歌科技有限公司) and the Domestic Company on May 20, 2021, (ii) the Exclusive Option Agreement (独家购买权合同) entered into by and among Beijing Liangzizhige Technology Co., Ltd. (北京量子之歌科技有限公司), the Domestic Company and the equity holders of the Domestic Company on May 20, 2021, (iii) the Power of Attorney (授权委托书) executed by each of the equity holders of the Domestic Company on May 20, 2021, and (iv) the Equity Pledge Agreement (股权质押合同) entered into by and among Beijing Liangzizhige Technology Co., Ltd. (北京量子之歌科技有限公司), the Domestic Company and the equity holders of the Domestic Company on May 20, 2021, pursuant to which, the Domestic Company and its subsidiaries are consolidated into the Group.
DCM	DCM Ventures China Fund (DCM VIII), L.P., a limited partnership organized under the laws of Cayman Islands; DCM VIII, L.P., a limited partnership organized under the laws of Cayman Islands; DCM Affiliates Fund VIII, L.P. a limited partnership organized under the laws of Cayman Islands.
Deemed Preferred Share Issue Price	the Series A Deemed Preferred Share Issue Price, the Class B Deemed Preferred Share Issue Price, the Series C Deemed Preferred Share Issue Price, the Series D Deemed Preferred Share Issue Price and the Series E Deemed Preferred Share Issue Price (as the case may be).
Director	a director, including a sole director, for the time being of the Company and shall include an alternate director.
Domestic Company	Feierlai (Beijing) Technology Co., Ltd. (菲尔莱(北京)科技有限公司)
Equity Securities	with respect to any person that is a legal entity, any and all shares of capital stock, membership interests, units, profits interests, ownership interests, equity interests, registered capital, and other equity securities of such person, and any right, warrant, option, call, commitment, conversion privilege, preemptive right or other right to acquire any of the foregoing, or security convertible into, exchangeable or exercisable for any of the foregoing, or any contract providing for the acquisition of any of the foregoing.
Founder	LI Peng (李鹏), a Chinese citizen with her PRC ID No. of [***].
Founder Parties	collectively, the Founder and the BVI Company.
GGV	GGV Discovery I, L.P. and GGV Capital VI Entrepreneurs Fund L.P..
Group Companies	the Company, the BVI Subsidiary , the HK Subsidiary, the WFOE, and the PRC Affiliates.
HK Subsidiary	has the meaning as defined in the Shareholders Agreement
Investors	K2, DCM, GGV, Qiming, PAC, VME and Lingfeng.

K2	K2 EVERGREEN PARTNERS LIMITED, a company organized under the laws of Hong Kong; K2 PARTNERS III LIMITED, a company organized under the laws of Hong Kong; and K2 FAMILY PARTNERS LIMITED, a company organized under the laws of Hong Kong.
Lingfeng	Lingfeng Capital Partners Fund I, LP, an exempted limited partnership organized under the laws of Cayman Islands.
Member	the person registered in the Register of Members as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Members as one of such joint holders or all of such persons, as the context so requires.
Ordinary Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a simple majority of the votes cast, or a written resolution passed by the unanimous consent of all Members entitled to vote.
Ordinary Shares	the Class A Ordinary Shares and the Class B Ordinary Shares.
PAC	collectively, Prospect Avenue Capital Inc., a company organized under the laws of Cayman Islands, Prospect Avenue Capital Limited Partnership, a limited partnership organized under the laws of Cayman Islands, and Foley Square Investment Limited, a company organized and existing under the laws of Hong Kong.
PRC Affiliates	has the meaning as defined in the Shareholders Agreement
Preferred Majority	collectively the Series A Preferred Majority, Class B Preferred Majority, Series C Preferred Majority, Series D Preferred Majority and Series E Preferred Majority.
Preferred Shareholders	collectively the holders of the Series A Preferred Shares, the Series B Preferred Shares, the Series B-1 Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares, and each a "Preferred Shareholder".
Preferred Shares	collectively the Series A Preferred Shares, the Series B Preferred Shares, Series B-1 Preferred Shares, the Series C Preferred Shares, the Series D Preferred Shares and the Series E Preferred Shares.
person	an individual, a corporation, a trust, the estate of a deceased individual, a partnership or an unincorporated or association of persons.
Qiming	Qiming Venture Partners VI, L.P., a limited partnership organized under the laws of Cayman Islands; Qiming Managing Directors Fund VI, L.P., a limited partnership organized under the laws of Cayman Islands.
Qualified Initial Public Offering	shall have the same meaning ascribed to it under the Shareholders Agreement.
Register of Members	the register of Members referred to in these Articles.
Resolution of directors	(a) A resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company by the affirmative vote of a simple majority of the directors present at the meeting who voted and did not abstain; or (b) A resolution consented to in writing by all directors or of all members of the committee, as the case may be.

Securities	shares and debt obligations of every kind, and options, warrants and rights to acquire shares, or debt obligations.
Series A Deemed Preferred Share Issue Price	US$0.0455 per share for each Series A Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.
Series A Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Series A Preferred Shares.
Series A Preferred Shares	Preferred Shares designated as Series A Preferred Shares with par value of US$0.0001 each in the capital of the Company, which have the rights set forth in the Memorandum and these Articles.
Series B Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Series B Preferred Shares.
Series B Preferred Shares	Preferred Shares designated as Series B Preferred Shares with par value of US$0.0001 each in the capital of the Company, which have the rights set forth in the Memorandum and these Articles.
Series B-1 Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Series B-1 Preferred Shares.
Series B-1 Preferred Shares	Preferred Shares designated as Series B-1 Preferred Shares with par value of US$0.0001 each in the capital of the Company, which have the rights set forth in the Memorandum and these Articles.
Series C Deemed Preferred Share Issue Price	US$0.568621807 per share for each Series C Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.
Series C Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Series C Preferred Shares.
Series C Preferred Shares	Preferred Shares designated as Series C Preferred Shares with par value of US$0.0001 each in the capital of the Company, which have the rights set forth in the Memorandum and these Articles.
Series D Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Series D Preferred Shares.
Series D Preferred Shares	Preferred Shares designated as Series D Preferred Shares with par value of US$0.0001 each in the capital of the Company, which have the rights set forth in the Memorandum and these Articles.
Series D Deemed Preferred Share Issue Price	US$1.182455131 per share for each Series D Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.
Series E Preferred Majority	the holders of more than fifty percent (50%) of the then outstanding Series E Preferred Shares.
Series E Preferred Shares	Preferred Shares designated as Series E Preferred Shares with par value of US$0.0001 each in the capital of the Company, which have the rights set forth in the Memorandum and these Articles.

Series E Deemed Preferred Share Issue Price	US$2.33984442 per share for each Series E Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.
Share	a share or shares in the Company and includes a fraction of a share.
Share Purchase Agreement	the Series E Preferred Shares Purchase Agreement (as defined in the Shareholders Agreement).
Shareholders Agreement	the Shareholders Agreement dated May 31, 2022 by and among the Company, the BVI Company, the Founder, the Investors and other parties thereto, as amended from time to time.
Special Resolution	a resolution passed at a general meeting (or, if so specified, a meeting of Members holding a class of shares) of the Company by a majority of not less than two thirds (or such greater number as may be specified in these Articles) of the vote cast, as provided in the Law, or a written resolution passed by unanimous consent of all Members entitled to vote.
the Law	the Companies Law of the Cayman Islands and every modification, re-enactment or revision thereof for the time being in force.
the Memorandum	the Amended and Restated Memorandum of Association of the Company, as from time to time amended.
the Seal	any Seal which has been duly adopted as the Seal of the Company.
these Articles	the Amended and Restated Articles of Association as originally, as from time to time amended.
Transaction Documents	has the meaning ascribed to it in the Share Purchase Agreement.
VME	VM EDU Fund I, L.P., an exempted limited partnership organized under the laws of the Cayman Islands.
WFOE, or WFOEs	has the meaning as defined in the Shareholders Agreement

2. "Written" or any term of like import includes words typewritten, printed, painted, engraved, lithographed, photographed or represented or reproduced by any mode of reproducing words in a visible form, including telex, facsimile, telegram, cable, or other form of writing produced by electronic communication.

3. Save as aforesaid any words or expressions defined in the Law shall bear the same meaning in these Articles.

4. Whenever the singular or plural number, or the masculine, feminine or neuter gender is used in these Articles, it shall equally, where the context admits, include the others.

5. A reference in these Articles to voting in relation to shares shall be construed as a reference to voting by members holding the shares except that it is the votes allocated to the shares that shall be counted and not the number of members who actually voted and a reference to shares being present at a meeting shall be given a corresponding construction.

6. A reference to money in these Articles is, unless otherwise stated, a reference to the currency in which shares in the Company shall be issued according to the provisions of the Memorandum.

REGISTRATION OF SHARES

7. Register of Members

The Board of Directors of the Company (the "Board") shall cause to be kept in one or more books a Register of Members which may be kept within or outside the Cayman Islands at such place as the Directors shall appoint and shall enter therein the following particulars:

(a) the name and address of each Member, the number, and (where appropriate) the class of shares held by such Member and the amount paid or agreed to be considered as paid on such shares;

(b) the date on which each person was entered in the Register of Members; and

(c) the date on which any person ceased to be a Member.

8. Registered Holder Absolute Owner

8.1 The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

8.2 No person shall be entitled to recognition by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise, (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other right in respect of any share except an absolute right to the entirety of the share in the holder. If, notwithstanding this Article, notice of any trust is at the holder's request entered in the Register or on a share certificate in respect of a share, then, except as aforesaid:

(a) such notice shall be deemed to be solely for the holder's convenience;

(b) the Company shall not be required in any way to recognise any beneficiary, or the beneficiary, of the trust as having an interest in the share or shares concerned;

(c) the Company shall not be concerned with the trust in any way, as to the identity or powers of the trustees, the validity, purposes or terms of the trust, the question of whether anything done in relation to the shares may amount to a breach of trust or otherwise; and

(d) the holder shall keep the Company fully indemnified against any liability or expense which may be incurred or suffered as a direct or indirect consequence of the Company entering notice of the trust in the Register or on a share certificate and continuing to recognise the holder as having an absolute right to the entirety of the share or shares concerned.

SHARES, AUTHORIZED CAPITAL, CAPITAL

9. Subject to the provisions of these Articles, any resolution of the Members and any agreement which is binding on the Company to the contrary, the unissued shares of the Company shall be at the disposal of the directors who may, without limiting or affecting any rights previously conferred on the holders of any existing shares or class or series of shares, offer, allot, grant options over or otherwise dispose of shares to such persons, at such times and upon such terms and conditions as the Company may by resolution of directors determine provided that no share shall be issued at a discount except in accordance with the Law.

10. Shares in the Company shall be issued for money, services rendered, personal property, an estate in real property, a promissory note or other binding obligation to contribute money or property or any combination of the foregoing as shall be determined by a resolution of directors.

11. Shares in the Company may be issued for such amount of consideration as the directors may from time to time by resolution of directors determine, except that in the case of shares with par value, the amount shall not be less than the par value, and in the absence of fraud the decision of the directors as to the value of the consideration received by the Company in respect of the issue is conclusive unless a question of law is involved. The consideration in respect of the shares constitutes capital to the extent of thereof and the excess constitutes share premium.

12. A share issued by the Company upon conversion of, or in exchange for, another share or a debt obligation or other security in the Company, shall be treated for all purposes as having been issued for money equal to the consideration received or deemed to have been received by the Company in respect of the other share, debt obligation or security.

13. The Company may issue fractions of a share and a fractional share shall have the same corresponding fractional liabilities, limitations, preferences, privileges, qualifications, restrictions, rights and other attributes of a whole share of the same class or series of shares.

14. Shares may be issued as registered shares only. The Company shall not issue bearer shares.

15. Upon the issue by the Company of a share without par value, if an amount is stated in the Memorandum to be authorized capital represented by such shares then each share shall be issued for no less than the appropriate proportion of such amount which shall constitute capital, otherwise the consideration in respect of the share constitutes capital to the extent designated by the directors, except that the directors must designate as capital an amount of the consideration that is at least equal to the amount that the share is entitled to as a preference, if any, in the assets of the Company upon liquidation of the Company.

16. Subject to receipt of all approvals required under the Memorandum or elsewhere in these Articles, the Company may purchase, redeem or otherwise acquire and hold its own shares but in accordance with the Law and the Company be and is hereby authorized to make payment out of capital in connection therewith.

17. Subject to provisions to the contrary in

    (a) the Memorandum or these Articles;

    (b) the designations, powers, preferences, rights, qualifications, limitations and restrictions with which the shares were issued; or

    (c) the subscription agreement for the issue of the shares,

    The Company may not purchase or redeem its own shares without the consent of members whose shares are to be purchased or redeemed.

18. No purchase or redemption of shares out of capital shall be made unless the directors determine that immediately after the purchase or redemption the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business and unless it is in compliance with the provisions of the Law.

19. Shares that the Company purchases, redeems or otherwise acquires pursuant to the preceding paragraph shall be cancelled and available for re-issue thereafter.

TRANSFER OF SHARES

20. Subject to any limitations in the Memorandum, registered shares in the Company may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee, but in the absence of such written instrument of transfer the directors may accept such evidence of a transfer of shares as they consider appropriate.

21. The Company shall not be required to treat a transferee of a registered share in the Company as a member until the transferee’s name has been entered in the Register of Members.

22. Subject to any limitations in the Memorandum, these Articles and any agreements entered into between the Company and the members, the Company must on the application of the transferor or transferee of a registered share in the Company enter in the Register of Members the name of the transferee of the share; provided that, the directors, solely subject to and in accordance with contractual commitments regarding the transfer of shares that the Company may from time to time have, may decline to register any transfer of shares in violation of such commitments. If the directors refuse to register a transfer, they shall notify the transferee within sixty (60) days of such refusal.

VARIATION OF CLASS RIGHTS

23. If at any time the authorized capital is designated into different classes or series of shares, subject to compliance with other consent or approval requirements under these Articles, the rights attached to any class or series (unless otherwise provided by the terms of issuance of the shares of that class or series) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least fifty percent (50%) of the issued shares of that class or series, which may be affected by such variation.

24. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not be deemed to be varied by the creation or issuance of further shares ranking *pari passu* therewith.

TRANSMISSION OF SHARES

25. The executor or administrator of a deceased member, the guardian of an incompetent member or the trustee of a bankrupt member shall be the only person recognized by the Company as having any title to his share but they shall not be entitled to exercise any rights as a member of the Company until they have proceeded as set forth in the next following three regulations.

26. The production to the Company of any document which is evidence of probate of the will, or letters of administration of the estate, or confirmation as executor, of a deceased member or of the appointment of a guardian of an incompetent member or the trustee of a bankrupt member shall be accepted by the Company even if the deceased, incompetent or bankrupt member is domiciled outside the Cayman Islands if the document evidencing the grant of probate or letters of administration, confirmation as executor, appointment as guardian or trustee in bankruptcy is issued by a foreign court which had competent jurisdiction in the matter. For the purpose of establishing whether or not a foreign court had competent jurisdiction in such a matter the directors may obtain appropriate legal advice. The directors may also require an indemnity to be given by the executor, administrator, guardian or trustee in bankruptcy.

27. Any person becoming entitled by operation of law or otherwise to a share or shares in consequence of the death, incompetence or bankruptcy of any member may be registered as a member upon such evidence being produced as may reasonably be required by the directors. An application by any such person to be registered as a member shall for all purposes be deemed to be a transfer of shares of the deceased, incompetent or bankrupt member and the directors shall treat it as such.

28. Any person who has become entitled to a share or shares in consequence of the death, incompetence or bankruptcy of any member may, instead of being registered himself, request in writing that some person to be named by him be registered as the transferee of such share or shares and such request shall likewise be treated as if it were a transfer.

29. What amounts to incompetence on the part of a person is a matter to be determined by the court having regard to all the relevant evidence and the circumstances of the case.

REDUCTION OR INCREASE IN AUTHORIZED CAPITAL OR CAPITAL

30. Subject to the Law, the Company may from time to time by a Special Resolution alter the conditions of its Memorandum of Association to increase its share capital by new shares of such amount as it thinks expedient or, if the Company has shares without par value, increase its share capital by such number of shares without nominal or par value, or increase the aggregate consideration for which its shares may be issued, as it thinks expedient.

31. Subject to the Law, the Company may from time to time by a Special Resolution alter the conditions of its Memorandum of Association to:

    (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum of Association; or

(c) cancel shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled or, in the case of shares without par value, diminish the number of shares into which its capital is divided.

32. For the avoidance of doubt, it is declared that Article 31(a) and (b) above do not apply if at any time the shares of the Company have no par value.

33. Subject to the Law, the Company may from time to time by Special Resolution reduce its share capital in any way or, subject to Article 131, alter any conditions of its Memorandum of Association relating to share capital.

34. Subject to Article 9, the Memorandum and any resolution of the Members to the contrary and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares, the share capital of the Company shall be divided into Class A Ordinary Shares, Class B Ordinary Shares and Preferred Shares.

Each of the Class A Ordinary Shares and Class B Ordinary Shares shall be treated equally, identically and ratably, on a per share basis, with respect to any dividend or distribution as may be declared by the Board from time to time. Subject to the preferences applicable to any class or series of Preferred Shares (if any), the Class A Ordinary Shares and Class B Ordinary Shares are entitled to the net assets of the Company upon dissolution equally, identically and ratably, on a per share basis. The Class B Ordinary Shares may be at the sole election of the Founder Parties converted into equal number of the Class A Ordinary Shares on a conversion ratio of 1:1 basis.

Subject to provisions of these Articles:

(a) the holders of Class A Ordinary Shares shall be entitled to one (1) vote per share, and the holder(s) of Class B Ordinary Shares shall be entitled to ten (10) votes per share;

(b) each of the Class A Ordinary Shares and Class B Ordinary Shares shall have the same rights and privileges, rank equally, share ratably and be identical in all respects as to all matters except with respect to voting rights;

(c) the holders of Ordinary Shares shall be entitled to such dividends as the Board may from time to time declare;

(d) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganization or otherwise or upon any distribution of capital, the holders of Ordinary Shares shall be entitled to the surplus assets of the Company; and

(e) the holders of Ordinary Shares shall generally be entitled to enjoy all of the rights attaching to shares.

Only Class B Ordinary Shares held by the Founder Parties enjoy ten (10) votes for every Class B Ordinary Share on a poll. The Company shall not issue any equity security or other instruments convertible into an equity security of the Company which has a number of votes more than one (1) vote per share to any party other than the Founder Parties.

The holders of the Preferred Shares shall be entitled to the rights set out in the following Articles.

CONVERSION OF PREFERRED SHARES

35. Conversion Rights. Unless converted earlier pursuant to Article 36 below, each holder of Preferred Shares shall have the right, at such holder's sole discretion, to convert all or any portion of the Preferred Shares into Class A Ordinary Shares at any time.

The conversion rate for Series A Preferred Shares shall be determined by dividing Series A Deemed Preferred Share Issue Price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the Series A Deemed Preferred Share Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events, as provided in Article 39 below (the "Series A Preferred Share Conversion Price").

The conversion rate for Class B Preferred Shares shall be determined by dividing the applicable Class B Deemed Preferred Share Issue Price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the applicable Class B Deemed Preferred Share Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events, as provided in Article 39 below (the "Class B Preferred Share Conversion Price").

The conversion rate for Series C Preferred Shares shall be determined by dividing Series C Deemed Preferred Share Issue Price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the Series C Deemed Preferred Share Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events, as provided in Article 39 below (the "Series C Preferred Share Conversion Price").

The conversion rate for Series D Preferred Shares shall be determined by dividing Series D Deemed Preferred Share Issue Price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the Series D Deemed Preferred Share Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events, as provided in Article 39 below (the "Series D Preferred Share Conversion Price")

The conversion rate for Series E Preferred Shares shall be determined by dividing Series E Deemed Preferred Share Issue Price by the conversion price then in effect at the date of the conversion. The initial conversion price will be the Series E Deemed Preferred Share Issue Price (i.e., a 1-to-1 initial conversion ratio), which will be subject to adjustments to reflect stock dividends, stock splits and other events, as provided in Article 39 below (the "Series E Preferred Share Conversion Price", together with Series A Preferred Share Conversion Price, Class B Preferred Share Conversion Price, Series C Preferred Share Conversion Price and Series D Preferred Share Conversion Price, the "Preferred Share Conversion Price" (as applicable)).

Nothing in this Article 35 shall limit the automatic conversion rights of Preferred Shares described in Article 36 below.

36. Automatic Conversion. Each Preferred Share shall automatically be converted into Class A Ordinary Shares, at the then applicable Preferred Share Conversion Price (i) upon the closing of an underwritten public offering of the Ordinary Shares of the Company in the United States, that has been registered under the Securities Act of 1933, as amended (the "Securities Act"), with an implied market capitalization of the Company prior to such public offering shall be no less than one billion U.S. dollars (US$1,000,000,000) and the net proceeds of the Company to the Company of no less than one hundred million U.S. dollars (US$100,000,000), or in a similar public offering of the Ordinary Shares of the Company in Hong Kong or another jurisdiction which results in the Ordinary Shares trading publicly on a recognized international securities exchange (a "Qualified Initial Public Offering"), and (ii) upon the prior written approval of the Series A Preferred Majority (as to the Series A Preferred Shares) or Series B Preferred Majority (as to the Series B Preferred Shares) or Series B-1 Preferred Majority (as to the Series B-1 Preferred Shares) or Series C Preferred Majority (as to the Series C Preferred Shares), Series D Preferred Majority (as to the Series D Preferred Shares) or Series E Preferred Majority (as to the Series E Preferred Shares). In the event of the automatic conversion of the Preferred Shares upon a Qualified Initial Public Offering as aforesaid, the person(s) entitled to receive the Class A Ordinary Shares issuable upon such conversion of Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of such Qualified Initial Public Offering.

37. Mechanics of Conversion. No fractional Class A Ordinary Share shall be issued upon conversion of the Preferred Shares. In lieu of any fractional shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then effective Preferred Share Conversion Price. Before any holder of Preferred Shares shall be entitled to convert the same into full Class A Ordinary Shares and to receive certificates therefor, he shall surrender the certificate or certificates therefor, at the office of the Company or of any transfer agent for the Preferred Shares and shall give written notice to the Company at such office that he elects to convert the same. The Company shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Preferred Shares a certificate or certificates for the number of Class A Ordinary Shares to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional Class A Ordinary Shares, if any. Such conversion shall be deemed to have been made immediately prior to close of business on the date of such surrender of the shares of Preferred Shares to be converted, and the person or persons entitled to receive the Class A Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Class A Ordinary Shares on such date after its name is recorded in the Register of Members as the holder of such Class A Ordinary Shares. The Directors may effect conversion in any matter permitted by law including, without prejudice to the generality of the foregoing, repurchasing or redeeming the relevant Preferred Shares and applying the proceeds towards the issue of the relevant number of new Class A Ordinary Shares.

38. Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Class A Ordinary Shares solely for the purpose of effecting the conversion of the shares of the Preferred Shares such number of its Class A Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Preferred Shares, and if at any time the number of authorized but unissued Class A Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company will take such corporate action as may, in the opinion of its legal counsel, be necessary to increase its authorized but unissued Class A Ordinary Shares to such number of shares as shall be sufficient for such purposes.

ADJUSTMENTS TO CONVERSION PRICE

39. (a) Special Definitions. For purposes of this Article 39, the following definitions shall apply:

(i) "**Options**" mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.

(ii) "**Original Issue Date**" for each class or series of Preferred Shares shall mean the date on which the first such Preferred Shares was issued.

(iii) "**Convertible Securities**" shall mean any evidences of indebtedness, shares (other than the Preferred Shares and Ordinary Shares) or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares.

(iv) "**Additional Ordinary Shares**" for each class of Preferred Shares shall mean all Ordinary Shares (including reissued shares) issued (or, pursuant to Article 39(c), deemed to be issued) by the Company after the Original Issue Date, other than:

(A) any Ordinary Shares (and/or options or warrants therefor) issued to employees, officers, directors, contractors, advisors or consultants of the Company pursuant to the Company's employee share option plans approved by the Board (including the affirmative vote of each Investor Director);

(B) any Preferred Shares issued as a result of the Restructuring (as defined in the Shareholders Agreement) to reflect the corresponding preferred shares issued under the Share Purchase Agreements and the Restructuring (as defined in the Shareholders Agreement), as such agreement may be amended and any Class A Ordinary Shares issued pursuant to the conversion thereof;

(C) any securities issued in connection with any share split, share dividend or other similar event in which all the holders of the Preferred Shares are entitled to participate on a pro rata basis;

(D) Ordinary Shares issued upon conversion or exercise of options, warrants, or other securities that are outstanding issued before Original Issue Date;

(E) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization approved by the Board (including the approval of each Investor Director) in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity; or

(F) any securities issued pursuant to a Qualified Initial Public Offering.

(b) No Adjustment to Conversion Price. No adjustment in the Preferred Share Conversion Price shall be made in respect of the issuance of Additional Ordinary Shares unless the consideration per share for an Additional Ordinary Share issued or deemed to be issued by the Company is less than the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance.

(c) Deemed Issuance of Additional Ordinary Shares. In the event the Company at any time or from time to time after the Original Issue Date shall issue any Options or Convertible Securities or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number (as set forth in the instrument relating thereto without regard to any provisions contained therein for a subsequent adjustment of such number that would result in an adjustment pursuant to clause (ii) below) of Ordinary Shares issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issuance or, in case such a record date shall have been fixed, as of the close of business on such record date, provided that Additional Ordinary Shares shall not be deemed to have been issued with respect to Preferred Shares, unless the consideration per share (determined pursuant to Article 39(e) hereof) of such Additional Ordinary Share would be less than the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance, or such record date, as the case may be, and provided further that in any such case in which Additional Ordinary Shares are deemed to be issued:

(i) no further adjustment to the Preferred Share Conversion Price shall be made upon the subsequent issuance of Convertible Securities or Ordinary Shares upon the exercise of such Options or conversion or exchange of such Convertible Securities;

(ii) if such Options or Convertible Securities by their terms provide, with the passage of time or otherwise, for any increase or decrease in the consideration payable to the Company, or increase or decrease in the number of Class A Ordinary Shares issuable, upon the exercise, conversion or exchange thereof, the Preferred Share Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon any such increase or decrease becoming effective be recomputed to reflect such increase or decrease insofar as it affects such Options or the rights of conversion or exchange under such Convertible Securities;

(iii) upon the expiration of any such Options or any rights of conversion or exchange under such Convertible Securities which shall not have been fully exercised, the Preferred Share Conversion Price computed upon the original issuance thereof (or upon the occurrence of a record date with respect thereto), and any subsequent adjustments based thereon, shall, upon such expiration be recomputed as if:

(A) in the case of Convertible Securities or Options for Ordinary Shares, the only Additional Ordinary Shares issued were Ordinary Shares, if any, actually issued upon the exercise of such Options or the conversion or exchange of such Convertible Securities and the consideration received therefor was the consideration actually received by the Company for the issuance of all such Options, whether or not exercised, plus the consideration actually received by the Company upon such exercise, or for the issuance of all such Convertible Securities which were actually converted or exchanged, plus the additional consideration, if any, actually received by the Company upon such conversion or exchange, and

(B) in the case of Options for Convertible Securities, only the Convertible Securities, if any, actually issued upon the exercise thereof were issued at the time of issuance of such Options, and the consideration received by the Company for the Additional Ordinary Shares deemed to have been then issued was the consideration actually received by the Company for the issuance of all such Options, whether or not exercised, plus the consideration deemed to have been received by the Company upon the issuance of the Convertible Securities with respect to which such Options were actually exercised;

(iv) no readjustment pursuant to clause (ii) or (iii) above shall have the effect of increasing the Preferred Share Conversion Price to an amount which exceeds the lower of (i) the Preferred Share Conversion Price immediately prior to the original adjustment date, or (ii) the Preferred Share Conversion Price that would have resulted from any issuance of Additional Ordinary Shares between the original adjustment date and such readjustment date; and

(v) in the case of any Options which expire by their terms not more than 30 days after the date of issuance thereof, no adjustment of the Preferred Share Conversion Price shall be made until the expiration or exercise of all such Options, whereupon such adjustment shall be made in the manner provided in clause (iii) above.

(d) Adjustment of Preferred Share Conversion Price upon Issuance of Additional Ordinary Shares below the Preferred Share Conversion Price. In the event that the Company shall issue any Additional Ordinary Shares (including those deemed to be issued pursuant to Article 39 (c)) without consideration or at a subscription price per Ordinary Share (on an as-converted basis) less than any of the Preferred Share Conversion Price in effect on the date of and immediately prior to such issuance, then the Preferred Share Conversion Price for such Preferred Shares shall forthwith be reduced, concurrently with such issuance of the Additional Ordinary Shares, to a price determined as set forth below:

CP2 = CP1 * (A + B) / (A + C)

For the purposes of the foregoing formula, the following definitions shall apply:

(i) “CP2” shall mean the applicable Preferred Share Conversion Price in effect immediately after such issuance;

(ii) “CP1” shall mean the applicable Preferred Share Conversion Price in effect immediately prior to such issuance;

(iii) “A” shall mean the number of Ordinary Shares outstanding and Ordinary Shares reserved for ESOP immediately prior to such issuance on a fully diluted and as converted basis (assuming the conversion of all outstanding Convertible Securities and the exercise of all outstanding Options);

(iv) “B” shall mean the number of Ordinary Shares that would have been issued or deemed issued if such issuance of the Additional Ordinary Shares had been made at a price per share equal to CP1 (determined by dividing the aggregate consideration received by the Company in respect of such issuance by CP1); and

(v) “C” shall mean the number of Additional Ordinary Shares issued in such issuance.

(e) Determination of Consideration. For purposes of this Article 39, the consideration received by the Company for the issuance of any Additional Ordinary Shares shall be computed as follows:

(i) Cash and Property. Except as provided in clause (ii) below, such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company excluding amounts paid or payable for accrued interest for accrued dividends;

(B) insofar as it consists of property other than cash, be computed at the fair value thereof at the time of such issuance, as determined in good faith by the Board; provided, however, that no value shall be attributed to any services performed by any employee, officer or director of the Company; and

(C) in the event Additional Ordinary Shares are issued together with other shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received with respect to such Additional Ordinary Shares, computed as provided in clauses (A) and (B) above, as determined in good faith by the Board.

(ii) Options and Convertible Securities. The consideration per share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 39(c), relating to Options and Convertible Securities, shall be determined by dividing

(A) the total amount, if any, received or receivable by the Company as consideration for the issuance of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities by

(B) the maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

(f) Adjustments for Share Dividends, Subdivisions, Combinations or Consolidations of Ordinary Shares. In the event the outstanding Ordinary Shares shall be subdivided (by share dividend, share split, or otherwise), into a greater number of Ordinary Shares, the Preferred Share Conversion Price shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event the outstanding Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a lesser number of Ordinary Shares the Preferred Share Conversion Price shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(g) Adjustments for Other Distributions. In the event the Company at any time or from time to time makes, or files a record date for the determination of holders of Ordinary Shares entitled to receive any distribution payable in securities or assets of the Company other than Ordinary Shares, then and in each such event provision shall be made so that the holders of Preferred Shares shall receive upon conversion thereof, in addition to the number of Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which they would have received had their Preferred Shares been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period, subject to all other adjustment called for during such period under this Article 39 with respect to the rights of the holders of the Preferred Shares.

(h) Adjustments for Reclassification, Exchange and Substitution. If the Ordinary Shares issuable upon conversion of the Preferred Shares shall be changed into the same or a different number of shares of any other class or classes of shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then and in each such event the holder of each share of Preferred Shares shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Class A Ordinary Shares that would have been subject to receipt by the holders upon conversion of the Preferred Shares immediately before that change, all subject to further adjustment as provided herein.

(i) No Impairment. The Company will not, by the amendment of its Memorandum and Articles of Association or through any reorganization, transfer of assets, consolidation, merger, dissolution, issuance or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of Article 39 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Shares against impairment.

(j) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Preferred Share Conversion Price pursuant to Article 39, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Shares, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustments and readjustments, (ii) the Preferred Share Conversion Price at the time in effect, and (iii) the number of Class A Ordinary Shares and the amount, if any, of other property which at the time would be received upon the conversion of such Preferred Shares.

(k) Miscellaneous.

(i) All calculations under this Article 39 shall be made to the nearest one hundredth (1/100) of a cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(ii) The Series A Preferred Majority or the Series B Preferred Majority or the Series B-1 Preferred Majority or the Series C Preferred Majority, the Series D Preferred Majority or the Series E Preferred Majority shall have the right to challenge any determination by the Board of fair value pursuant to this Article 39, in which case such determination of fair value shall be made by an independent appraiser selected jointly by the Board and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging holders of Preferred Shares.

(iii) No adjustment in the Preferred Share Conversion Price need be made if such adjustment would result in a change in such conversion price of less than US$0.01. Any adjustment of less than US$0.01 which is not made shall be carried forward and shall be made at the time of and together with any subsequent adjustment which, on a cumulative basis, amounts to an adjustment of US$0.0l or more in such conversion price.

VOTING RIGHTS

40. Each Preferred Share shall carry a number of votes equal to the number of Class A Ordinary Shares then issuable upon its conversion into Class A Ordinary Shares at the record date for determination of the shareholders entitled to vote on such matters, or, if no such record date is established, at the date such vote is taken or any written consent of shareholders is solicited. To the extent that applicable law, the Memorandum and/or these Articles require the Preferred Shares to vote separately as a class with respect to any matters, or with respect to any matters provided in Article 41, the Preferred Shares shall vote separately as a class with respect to such matters. Otherwise, the holders of Preferred Shares and Ordinary Shares shall vote together as a single class.

PROTECTIVE PROVISIONS

41. In addition to such other limitations as may be provided in these Articles, for so long as any Preferred Shares are outstanding, the following acts of the Company shall require the prior written approval of the Preferred Majority, or the written approval of more than fifty percent (50%) of the directors of the Board (including the approval of each Investor Director), as the case maybe. For the purpose of this Article 41, the term "**Company**" means, the Company itself as well as any and all the subsidiaries of the Company (including but not limited to the other Group Companies), to the extent and where applicable. Notwithstanding anything to the contrary contained herein, where any such action requires a Special Resolution or an Ordinary Resolution in accordance with the Companies Law and if the shareholders vote in favor of such act but the approval of the Preferred Majority has not yet been obtained, the holders of the Preferred Shares who vote against such act at a meeting of the shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the shareholders who voted in favor of such act plus one.

(a) any issuance or sale of any equity or debt securities of the Company, excluding any issuance of Class A Ordinary Shares upon conversion of the Preferred Shares (including, without limitation, the creation, issuance, sale or sponsorship of any cryptocurrency, decentralized application tokens, protocol tokens, blockchain-based assets or other cryptofinance coins, tokens or similar digital assets by the Company, an officer of the Company or any direct or indirect majority-owned subsidiary of the Company);

(b) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of, the Preferred Shares;

(c) any action that authorizes, creates or issues any class of shares of the capital of the Company having preferences superior to or on a parity with the Preferred Shares;

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets superior to or on a parity with the preference of the Preferred Shares;

(e) any act that repurchases, redeems or retires any of the Company's voting securities (excluding (i) pursuant to contractual rights to repurchase Ordinary Shares or Preferred Shares held by employees, directors or consultants of the Company or its subsidiaries upon termination of their employment or services, or pursuant to the exercise of a contractual right of first refusal held by the Company or (ii) the redemption entitled by the holders of relevant class or series of shares as set forth in the Memorandum and these Articles);

(f) any increase or decrease in the authorized share capital or registered capital, as applicable, of the Company;

(g) any amendment of the Company's Memorandum and Articles of Association or other charter documents of the Company;

(h) the declaration or payment of a dividend or other distributions on any securities of the Company;

(i) any increase or decrease of the authorized size of the board of directors of the Company, or any amendment of the rules to appoint or remove the directors of the Company;

(j) the liquidation, dissolution or winding up of the Company;

(k) any consolidation, merger, corporate reorganization, transaction or series of transactions of the founder, in which in excess of fifty percent (50%) of the Company's voting power is transferred or in which all or substantially all the assets of the Company are sold;

(l) the sale of all or substantially all of any of the Company's assets, or any material asset or undertaking of the Company;

(m) any sale, assignment, transfer, pledge, hypothecation, mortgage or otherwise disposition through one or a series of transactions of any shares or equity interest of the Company directly or indirectly held by the Founder, or dispose of or dilute the Company's interest, directly or indirectly, in any of its subsidiaries, unless otherwise provided in this Articles or the Shareholders Agreement;

(n) any establishment, alteration or termination of any profit sharing scheme or any employee share option or share participation schemes, or any grant of options or warrants under such plans;

(o) incurrence of debt or assumption of any loan, facility or other financial obligation from a third party, or issue, assumption, provision of guarantee, charge, lien or indemnity warranty in favor of a third party, or creation of any liability (including without limitation any off-balance-sheet liability or contingent liability) by the Company, in excess of RMB3,000,000 in the aggregate in any consecutive twelve (12) months period outside the annual budget of the Company, or extension of loan by the Company to any third party in excess of RMB3,000,000 in the aggregate, other than those in the ordinary course of business;

(p) creation of any liability on any patent, copy right, trademark, or any other intellectual property right of the Company;

(q) the initial public offering of any of the Shares or other equity or debt securities of the Company (or as the case may be, the shares or securities of the relevant entity resulting from any merger, reorganization or other arrangements made by or to the Company for the purposes of public offering);

(r) any equity investments in any other person or entity (including any direct or indirect establishment or any acquisition of any subsidiary);

(s) approval or removal of the auditor of the Company;

(t) any material change to the business of the Company, including entering new lines of business outside the existing business and exiting the current business;

(u) termination or any material amendment to the Restructuring Documents (as defined in the Shareholders Agreement);

(v) settlement of litigation, arbitration or other disputes involving value of no less than US$500,000 in a single transaction or no less than US$3,000,000 in the aggregate in any consecutive twelve (12) months;

(w) appointment or removal of the Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Operating Officer;

(x) approval or material amendment (by more than 30% in any fiscal year) of the annual budget; or

(y) agreement or commitment by the Company to do any of the foregoing.

MEETINGS AND CONSENTS OF MEMBERS

42. The directors of the Company may convene meetings of the members of the Company at such times and in such manner and places within or outside the Cayman Islands as the directors consider necessary or desirable.

43. Upon the written request of members holding ten percent (10%) or more of the outstanding voting shares in the Company, the directors shall convene a meeting of members promptly, and in any event within ten (10) business days, following receipt by the Company of such a request.

44. The directors shall give not less than seven days' notice of meetings of members to those persons whose names on the date the notice is given appear as members in the share register of the Company and are entitled to vote at the meeting.

45. The directors may fix the date notice is given of a meeting of members as the record date for determining those shares that are entitled to vote at the meeting.

46. A meeting of members may be called on short notice:

(a) if members holding not less than ninety percent (90%) of the total number of shares entitled to vote on all matters to be considered at the meeting, or ninety percent (90%)of the votes of each class or series of shares where members are entitled to vote thereon as a class or series together with not less than a ninety percent (90%) of the remaining votes, have agreed to short notice of the meeting, or

(b) if all members holding shares entitled to vote on all or any matters to be considered at the meeting have waived notice of the meeting and for this purpose presence at the meeting shall be deemed to constitute waiver.

47. The inadvertent failure of the directors to give notice of a meeting to a member, or the fact that a member has not received notice, does not invalidate the meeting.

48. A member may be represented at a meeting of members by a proxy who may speak and vote on behalf of the member.

49. The instrument appointing a proxy shall be produced at the place appointed for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote.

50. An instrument appointing a proxy shall be in substantially the following form or such other form as the Chairman of the meeting shall accept as properly evidencing the wishes of the member appointing the proxy.

(Name of Company)

I/We _____ being a member of the above Company with _____ shares HEREBY APPOINT _____ of _____ or failing him _____ of _____ to be my/our proxy to vote for me/us at the meeting of members to be held on the _____ day of _____ and at any adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this day of

…….…….
Member

51. The following shall apply in respect of joint ownership of shares:

(a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member;

(b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and;

(c) if two or more of the joint owners are present in person or by proxy they must vote as one.

52. A member shall be deemed to be present at a meeting of members if he participates by telephone or other electronic means and all members participating in the meeting are able to hear each other.

53. No business shall be transacted at any meeting of members unless a quorum is present. The quorum for a meeting of members shall be such Member(s) present in person or by proxy holding not less than a majority of the votes of the shares or class or series of shares entitled to vote on a resolution of members to be considered at the meeting, which shall include the Preferred Majority.

54. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the next fifth (5^{th}) business day at the same time and place, and if within one hour after the adjourned meeting begins, a quorum is not present, those present shall constitute a quorum. At such adjourned meeting, any business that might have been transacted at the meeting may be transacted as originally notified

55. At every meeting of members, the Chairman of the Board of Directors shall preside as Chairman of the meeting. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not present at the meeting, the members present shall choose someone of their number to be the Chairman. If the members are unable to choose a Chairman for any reason, then the person representing the greatest number of voting shares present in person or by prescribed proxy at the meeting shall preside as Chairman failing which the oldest individual member or representative of a member present shall take the chair.

56. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time, from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

57. At any meeting of the members the Chairman shall be responsible for deciding in such manner as he shall consider appropriate whether any resolution has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes thereof.

58. Any person other than an individual shall be regarded as one member and subject to the specific provisions hereinafter contained for the appointment of representatives of such persons the right of any individual to speak for or represent such member shall be determined by the law of the jurisdiction where, and by the documents by which, the person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any member.

59. Any person other than an individual which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company, and the person so authorized shall be entitled to exercise the same power on behalf of the person which he represents as that person could exercise if it were an individual member of the Company.

60. The Chairman of any meeting at which a vote is cast by proxy or on behalf of any person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within seven days of being so requested or the votes cast by such proxy or on behalf of such person shall be disregarded.

61. Directors of the Company may attend and speak at any meeting of members of the Company and at any separate meeting of the holders of any class or series of shares in the Company.

62. An action that may be taken by the members at a meeting may also be taken by a resolution of members consented to in writing or by telex, telegram, cable, facsimile or other written electronic communication by all the Members, without the need for any notice. The consent may be in the form of counterparts, each counterpart being signed by one or more members.

DIRECTORS

63. The first directors of the Company shall be appointed by the subscriber to the Memorandum; and thereafter, the directors shall be elected by the members for such term as the members determine.

64. The Company shall be managed by a Board of Directors consisting of up to thirteen (13) directors, which number of directors shall not be changed except pursuant to an amendment to these Articles. Whereby:

The BVI Company (so long as it continues to hold shares in the Company) shall be entitled to appoint and remove at least seven (7) directors (the "Ordinary Directors"), K2 shall be entitled to appoint and remove one (1) director to the extent it holds not less than seven percent (7%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "K2 Director"), DCM shall be entitled to appoint and remove one (1) director to the extent it holds not less than seven percent (7%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "DCM Director"), GGV shall be entitled to appoint and remove one (1) director to the extent it holds not less than four point five percent (4.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "GGV Director"), Qiming shall be entitled to appoint and remove one (1) director to the extent it holds not less than four point five percent (4.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "Qiming Director"), PAC shall be entitled to appoint and remove one (1) director to the extent it holds not less than four point five percent (4.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "PAC Director") and VME shall be entitled to appoint and remove one (1) director to the extent it holds not less than three point five percent (3.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "VME Director", together with K2 Director, DCM Director, GGV Director, Qiming Director and PAC Director, the "Investor Directors", each an "Investor Director"). The BVI Company and the Investors may remove a director appointed by it, with or without cause and appoint a new Director in his/her place by notice in writing to the Company and the other Members. For the avoidance of doubt, (a) the Founder (A) shall be one (1) of the Ordinary Directors, and (B) will act as the chairman of the Board, and (b) in the event that the BVI Company appoints less than seven (7) Ordinary Directors to the Board, the Founder as an Ordinary Director shall have that number of votes in any Board meeting on a poll, and such number of votes shall be equal to the balance of (x) the total number of Ordinary Directors that the BVI Company is entitled to appoint and (y) the number of Ordinary Directors that the BVI Company actually appoints minus one (1), and any other directors of the Board shall have one (1) vote each in the Board meetings on a poll; and in the event that the BVI Company appoints seven (7) Ordinary Directors to the Board, each director of the Board shall have one (1) vote in the board meetings on a poll. If any Investor loses the right to appoint the director that it is entitled to appoint and remove due to the reason of failing to meet the requirement of shareholding threshold, such board seat shall be appointed and removed by the BVI Company.

Lingfeng shall be entitled to appoint one (1) observer of the Board to attend all meetings of the Board in a non-voting observer capacity, subject to the exceptions and limitations set forth in the Management Rights Letter by and between the Company and Lingfeng.

65. Subject to Article 64, any vacancy, including newly created directorships resulting from any increase in the authorised number of directors or amendment of these Articles, and vacancies created by removal or resignation of a director, may be filled by the consent of a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of shares, the holders of shares of such class or series by Ordinary Resolution of such class may override the Board's action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Company's shareholders or (ii) written consent, if the consenting shareholders hold a sufficient number of shares to elect their designee at a meeting of the shareholders.

Any director of the Company may be removed from the Board by the Members of the Company or in the manner specified by the Law and these Articles, but with respect to a director appointed pursuant to Article 64, only upon the vote or written consent of the Members entitled to appoint such director. Any vacancies created by the resignation, removal or death of a director appointed pursuant to Article 64 shall be filled pursuant to Article 64.

66. A director may resign his office by giving written notice of his resignation to the Company and the resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice.

67. The Company shall keep a register of directors containing:

(a) the names and addresses of the persons who are directors of the Company;

(b) the date on which each person whose name is entered in the register was appointed as a director of the Company; and

(c) the date on which each person named as a director ceased to be a director of the Company.

68. A copy of the register of directors shall be kept at the registered office of the Company.

69. With the prior approval or subsequent ratification by an Ordinary Resolution and subject to all other approvals required under the Memorandum or these Articles, the Board may, by a resolution of directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.

70. A director shall not require a share qualification, and may be an individual or a company.

POWERS OF DIRECTORS

71. The business and affairs of the Company shall be managed by the directors who may pay all expenses incurred preliminary to and in connection with the formation and registration of the Company and may exercise all such powers of the Company as are not by the Law or by the Memorandum or these Articles required to be exercised by the members of the Company, subject to any delegation of such powers as may be authorized by these Articles and to such requirements as may be prescribed by a resolution of members; but no requirement made by a resolution of members shall prevail if it be inconsistent with these Articles nor shall such requirement invalidate any prior act of the directors which would have been valid if such requirement had not been made.

72. The directors may, by a resolution of directors, appoint any person, including a person who is a director, to be an officer or agent of the Company. The resolution of directors appointing an agent may authorize the agent to appoint one or more substitutes or delegates to exercise some or all of the powers conferred on the agent by the Company.

73. Every officer or agent of the Company has such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in these Articles or in the resolution of directors appointing the officer or agent, except that no officer or agent has any power or authority with respect to the matters requiring a resolution of directors under the Law.

74. Any director which is a body corporate may appoint any person its duly authorized representative for the purpose of representing it at meetings of the Board of Directors or with respect to unanimous written consents.

75. The continuing directors may act notwithstanding any vacancy in their body.

76. The directors may by resolution of directors exercise all the powers of the Company subject to all approvals required under the Memorandum to borrow money and to mortgage or charge its undertakings and property or any part thereof, to issue debentures, debenture stock and other securities whenever money is borrowed or as security for any debt, liability or obligation of the Company or of any third party.

77. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by resolution of directors.

78. The Directors shall cause to be kept the register of mortgages and charges required by the Law.

79. The register of mortgages and charges shall be open to inspection in accordance with the Law, at the office of the Company on every business day in the Cayman Islands, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each such business day be allowed for inspection.

PROCEEDINGS OF DIRECTORS

80. The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the Cayman Islands as the directors may determine to be necessary or desirable; provided, that the Board of Directors (as defined in Article 91 below) shall meet at least every three months.

81. A director shall be deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.

82. A director shall be given not less than seven (7) days' notice of meetings of directors, but a meeting of directors held without seven (7) days' notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend, waive notice of the meeting and for this purpose, the presence of a director at a meeting shall constitute waiver on his part. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.

83. A director may by a written instrument appoint an alternate who need not be a director and an alternate is entitled to attend meetings in the absence of the director who appointed him and to vote or consent in place of the director.

84. A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than seven (7) directors, which shall include each Investor Director. A meeting of directors will be adjourned to the same time and place one (1) week thereafter if a quorum is not present at that Board meeting. If at such adjourned meeting a quorum is still not present within forty-five (45) minutes from the time appointed for the meeting, the directors present shall constitute a quorum. At such adjourned meeting, any business that might have been transacted at the meeting may be transacted as originally notified.

85. At every meeting of the directors the Chairman of the Board of Directors shall preside as Chairman of the meeting. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not present at the meeting the Vice Chairman of the Board of Directors shall preside. If there is no Vice Chairman of the Board of Directors or if the Vice Chairman of the Board of Directors is not present at the meeting the directors present shall choose someone of their number to be Chairman of the meeting.

86. An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a resolution of directors or a committee of directors consented to in writing or by telex, telegram, cable, facsimile or other written electronic communication by all directors or all members of the committee as the case may be, without the need for any notice. The consent may be in the form of counterparts, each counterpart being signed by one or more directors.

87. The directors shall cause the following corporate records to be kept:

    (a) minutes of all meetings of directors, members, committees of directors, committees of officers and committees of members;

    (b) copies of all resolutions consented to by directors, members, committees of directors, committees of officers and committees of members; and

    (c) such other accounts and records as the directors by resolution of directors consider necessary or desirable in order to reflect the financial position of the Company.

88. The books, records and minutes shall be kept at the registered office of the Company, its principal place of business or at such other place as the directors determine.

89. The directors may, by resolution of directors, designate one or more committees, among which one director shall be appointed by K2, one director shall be appointed by DCM, one director shall be appointed by GGV, one director shall be appointed by Qiming, one director shall be appointed by PAC and one director shall be appointed by VME. Each committee of directors has such powers and authorities of the directors, including the power and authority to affix the Seal, as are set forth in the resolution of directors establishing the committee, except that no committee has any power or authority to appoint directors or fix their emoluments, or to appoint officers or agents of the Company.

90. The meetings and proceedings of each committee of directors shall be governed mutatis mutandis by the provisions of these Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the resolution establishing the committee.

91. The Company shall set up a compensation committee (the "Compensation Committee"), and an audit committee (the "Audit Committee") (collectively, the "Committees") at the time determined by the Board of Directors (including the affirmative vote of each Investor Director). The Compensation Committee shall be responsible for evaluating and recommending to the Board of the Director for action all matters related to the Company's annual compensation and/or bonus plan, share option plan, and employee related compensation matters. The Audit Committee shall be responsible for internal audit and nomination of auditors for the Company.

OFFICERS

92. The Company may by resolution of Board of Directors, appoint officers of the Company at such times as shall be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a Vice Chairman of the Board of Directors, a President and one or more Vice Presidents, Secretaries and Financial Controller and such other officers as may from time to time be deemed desirable. Any number of offices may be held by the same person.

93. The officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by resolution of directors or Ordinary Resolution, but in the absence of any specific allocation of duties it shall be the responsibility of the Chairman of the Board of Directors to preside at meetings of directors and members, the Vice Chairman to act in the absence of the Chairman, the President to manage the day to day affairs of the Company, the Vice Presidents to act in order of seniority in the absence of the President but otherwise to perform such duties as may be delegated to them by the President, the Secretaries to maintain the share register, minute books and records (other than financial records) of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law, and the Treasurer to be responsible for the financial affairs of the Company.

94. The emoluments of all officers shall be fixed by resolution of the Board of Directors; provided, that the Company shall not provide any director's fee, other remuneration or emolument to directors that are not independent directors. The Company shall reimburse the directors for all reasonable out-of-pocket expenses incurred in connection with attending any meetings of the Board and any committee thereof.

95. Subject to compliance with Article 92, the officers of the Company shall hold office until their successors are duly elected and qualified, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by resolution of directors. Any vacancy occurring in any office of the Company may be filled by resolution of directors.

CONFLICT OF INTERESTS

96. No agreement or transaction between the Company and one or more of its directors or any person in which any director has a financial interest or to whom any director is related, including as a director of that other person, is void or voidable for this reason only or by reason only that the director is present at the meeting of directors or at the meeting of the committee of directors that approves the agreement or transaction or that the vote or consent of the director is counted for that purpose if the material facts of the interest of each director in the agreement or transaction and his interest in or relationship to any other party to the agreement or transaction are disclosed in good faith or are known by the other directors.

97. A director who has an interest in any particular business to be considered at a meeting of directors or members may be counted for purposes of determining whether the meeting is duly constituted and may vote in respect of any such business at the meeting.

INDEMNIFICATION

98. Subject to the limitations hereinafter provided and to all applicable laws, the Company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or a liquidator of the Company; or

(b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

99. The Company may only indemnify a person if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

100. The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful, is, in the absence of fraud, sufficient for the purposes of these Articles, unless a question of law is involved.

101. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

102. If a person to be indemnified has been successful in defense of any proceedings referred to above the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

103. The Company may purchase and maintain insurance in relation to any person who is or was a director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in these Articles.

SEAL

104. The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by resolution of directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the Registered Office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of a director or any other person so authorized from time to time by resolution of directors. Such authorization may be before or after the seal is affixed may be general or specific and may refer to any number of sealing. The Directors may provide for a facsimile of the Seal and of the signature of any director or authorized person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been signed as hereinbefore described.

DIVIDENDS

105. No dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is first paid in full on the Series E Preferred Shares (on an as-converted basis). After the dividends of the Series E Preferred Shares have been paid in full, no dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is paid in full on the Series D Preferred Shares (on an as-converted basis). After the dividends of the Series E Preferred Shares and the Series D Preferred Shares have been paid in full, no dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is paid in full on the Series C Preferred Shares (on an as-converted basis). After the dividends of the Series E Preferred Shares, the Series D Preferred Shares and Series C Preferred Shares have been paid in full, no dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is paid in full on the Class B Preferred Shares (on an as-converted basis). After the dividends of the Series E Preferred Shares, the Series D Preferred Shares, Series C Preferred Shares and Class B Preferred Shares have been paid in full, no dividend, whether in cash, in property or in shares of the capital of the Company, shall be paid on any other class or series of shares of the Company unless and until a dividend in like amount is paid in full on the Series A Preferred Shares (on an as-converted basis). Holders of the Preferred Shares shall also be entitled to receive any non-cash dividends declared by the Board (including the approval of each Investor Director) on an as-converted basis.

106. Subject to receipt of all approvals required under the Memorandum or elsewhere in these Articles, the Company may by a resolution of directors declare and pay dividends in money, shares, or other property. In the event that dividends are paid in specie the directors shall have responsibility for establishing and recording in the resolution of directors authorizing the dividends, a fair and proper value for the assets to be so distributed.

107. Subject to receipt of all approvals required under the Memorandum or elsewhere in these Articles, the directors may from time to time pay to the members such interim dividends as appear to the directors to be justified by the profits of the Company.

108. The directors may, before declaring any dividend, set aside out of the profits of the Company such sum as they think proper as a reserve fund, and may invest the sum so set apart as a reserve fund upon such securities as they may select.

109. Dividends may be declared and paid out of profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed, or not in the same amount. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Law.

110. Notice of any dividend that may have been declared shall be given to each member in manner hereinafter mentioned and all dividends unclaimed for 3 years after having been declared may be forfeited by resolution of the directors for the benefit of the Company.

111. No dividend shall bear interest as against the Company and no dividend shall be paid on shares held by another company of which the Company holds, directly or indirectly, shares having more than fifty percent (50%) of the vote in electing directors.

112. The Board may resolve to capitalise any sum for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Members.

113. The Board may resolve to capitalise any sum for the time being standing to the credit of a reserve account or sums otherwise available for dividend or distribution by applying such amounts in paying up in full partly paid or nil paid shares of those Members who would have been entitled to such sums if they were distributed by way of dividend or distribution.

114. A division of the issued and outstanding shares of a class or series of shares into a larger number of shares of the same class or series having a proportionately smaller par value does not constitute a dividend of shares.

ACCOUNTS AND AUDIT

115. The Company shall prepare an audited annual consolidated financial statements and unaudited consolidated monthly financial statements, each in accordance with the PRC generally accepted accounting principles ("PRC GAAP"), which shall be drawn up so as to give respectively a true and fair view of the profit or loss of the Company for the financial period and a true and fair view of the state of affairs of the Company as at the end of the financial period.

116. The accounts of the Company shall be examined at least annually by an international accounting firm starting from the fiscal year 2020.

117. The first auditors shall be appointed by resolution of directors, and subsequent auditors shall be appointed by an Ordinary Resolution in accordance with the Memorandum and these Articles.

118. The auditors may be members of the Company but no director or other officer shall be eligible to be an auditor of the Company during his continuance in office.

119. The remuneration of the auditors of the Company

(a) in the case of auditors appointed by the directors, may be fixed by resolution of directors;

(b) subject to the foregoing, shall be fixed by an Ordinary Resolution or in such manner as the Company may by an Ordinary Resolution determine.

120. The auditors shall examine each profit and loss account and balance sheet required to be served on every member of the Company or laid before a meeting of the members of the Company and shall state in a written report whether or not

(a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit or loss for the period covered by the accounts, and of the state of affairs of the Company at the end of that period, and

(b) all the information and explanations required by the auditors have been obtained.

121. The report of the auditors shall be annexed to the accounts and shall be read at the meeting of members at which the accounts are laid before the Company or shall be served on the members.

122. Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.

123. The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of members of the Company at which the Company's profit and loss account and balance sheet are to be presented.

NOTICES

124. Any notice, information or written statement to be given by the Company to Members may be served in the case of members holding registered shares in any way by which it can reasonably be expected to reach each member or by mail addressed to each member at the address shown in the share register.

125. Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered office of the Company.

126. Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office of the Company or that it was mailed in such time as to admit to its being delivered to the registered office of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

127. (a) Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays) following the day on which the notice was posted.

(b) Where a notice is sent by cable, telex, or facsimile, service of the notice shall be deemed to be effected by properly addressing, and sending such notice and shall be deemed to have been received on the same day that it was transmitted.

(c) Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

VOLUNTARY WINDING UP AND DISSOLUTION

128. Subject to the provisions of the Memorandum, the Company may voluntarily commence to wind up and dissolve by a Special Resolution.

LIQUIDATION PREFERENCE

129A. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series E Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Series D Preferred Shares, the holders of the Series C Preferred Shares, the holders of the Class B Preferred Shares, the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series E Preferred Share equal to (i) one hundred and twenty five percent (125%) of the applicable Series E Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "Series E Preferred Share Preference Amount"). After the full Series E Preferred Share Preference Amount on all outstanding Series E Preferred Shares has been paid, the holders of the Series D Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Series C Preferred Shares, the holders of the Class B Preferred Shares, the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series C Preferred Share equal to (i) one hundred percent (100%) of the applicable Series C Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "Series D Preferred Share Preference Amount"). After the full Series D Preferred Share Preference Amount on all outstanding Series D Preferred Shares has been paid, the holders of the Series C Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Class B Preferred Shares, the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series C Preferred Share equal to (i) one hundred percent (100%) of the applicable Series C Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "Series C Preferred Share Preference Amount"). After the Series C Preferred Share Preference Amount on all outstanding Series C Preferred Shares has been paid in full but prior to any distribution to the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, the holders of the Class B Preferred Shares shall be entitled to receive an amount per Class B Preferred Share equal to (i) one hundred percent (100%) of the Class B Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "Class B Preferred Share Preference Amount"). After the Class B Preferred Share Preference Amount on all outstanding Class B Preferred Shares has been paid in full but prior to any distribution to the holders of the Ordinary Shares, the holders of the Series A Preferred Shares shall be entitled to receive an amount per Series A Preferred Share equal to (i) one hundred percent (100%) of the Series A Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "Series A Preferred Share Preference Amount", together with the Class B Preferred Share Preference Amount, the Series C Preferred Share Preference Amount, the Series D Preferred Share Preference Amount and the Series E Preferred Share Preference Amount, the "Preferred Share Preference Amount"). After the full Preferred Share Preference Amount on all outstanding Preferred Shares has been paid, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata, pari passu basis among the holders of the Preferred Shares (on an as-converted basis), together with the holders of the Ordinary Shares. If the Company has insufficient assets to permit payment of the Series E Preferred Share Preference Amount in full to all holders of Series E Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series E Preferred Shares in proportion to the full Series E Preferred Share Preference Amount each such holder of Series E Preferred Shares would otherwise be entitled to receive under this Article 129A. If the Company has insufficient assets to permit payment of the Series D Preferred Share Preference Amount in full to all holders of Series D Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series D Preferred Shares in proportion to the full Series D Preferred Share Preference Amount each such holder of Series D Preferred Shares would otherwise be entitled to receive under this Article 129A. If the Company has insufficient assets to permit payment of the Series C Preferred Share Preference Amount in full to all holders of Series C Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series C Preferred Shares in proportion to the full Series C Preferred Share Preference Amount each such holder of Series C Preferred Shares would otherwise be entitled to receive under this Article 129A. If the Company has insufficient assets to permit payment of the Class B Preferred Share Preference Amount in full to all holders of Class B Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Class B Preferred Shares in proportion to the full Class B Preferred Share Preference Amount each such holder of Class B Preferred Shares would otherwise be entitled to receive under this Article 129A. If the Company has insufficient assets to permit payment of the Series A Preferred Share Preference Amount in full to all holders of Series A Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series A Preferred Shares in proportion to the full Series A Preferred Share Preference Amount each such holder of Series A Preferred Shares would otherwise be entitled to receive under this Article 129A.

129B. Unless waived in writing by the Series A Preferred Majority, the Class B Preferred Majority (including the affirmative vote of the Series B-1 Preferred Majority), the Series C Preferred Majority, the Series D Preferred Majority and the Series E Preferred Majority, (i) the acquisition of the Company (whether by a sale of equity, merger or consolidation) in which in excess of 50% of the Company's voting power outstanding before such transaction is transferred, (ii) the exclusive licensing of all or substantially all of the Company's proprietary rights; or (iii) a sale, transfer or other disposition of all or substantially all the Company's assets (the "Liquidation Event"), shall be deemed a liquidation, dissolution or winding up of the Company, such that the provision of Article 129 shall apply as if all consideration received by the Company and its shareholders in connection with such event were being distributed in a liquidation of the Company. If the requirements of this Article 129 are not complied with, the Company shall forthwith either (i) cause such closing to be postponed until such time as the requirements of this Article 129 have been complied with, or (ii) cancel such transaction.

129C. Notwithstanding any other provision of this Article 129, the Company may at any time, out of funds legally available therefor and subject to compliance with the provisions of the applicable laws of the Cayman Islands, repurchase Ordinary Shares of the Company issued to or held by employees, officers or consultants of the Company or its subsidiaries upon termination of their employment or services, pursuant to any bona fide agreement providing for such right of repurchase, whether or not dividends on the Preferred Shares shall have been declared.

129D. In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company, the value of the assets to be distributed to the holders of Preferred Shares and Ordinary Shares shall be that as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board, which decision shall include the affirmative vote from each Investor Director. Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(a) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(b) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(c) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board.

The method of valuation of securities subject to restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (i), (ii) or (iii) to reflect the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board. The Series A Preferred Majority or Series B Preferred Majority or the Series B-1 Preferred Majority or the Series C Preferred Majority, the Series D Preferred Majority or the Series E Preferred Majority, shall have the right to challenge any determination by the liquidator or the Board, as the case may be, of fair market value pursuant to this Article 129D, in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the liquidator or the Board, as the case may be, and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging party.

CONTINUATION

130. The Company may by an Ordinary Resolution or by a resolution passed unanimously by all directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the Cayman Islands in the manner provided under those laws.

CHANGES TO CONSTITUTION

131. The Company may from time to time, by Special Resolution, change the name of the Company, alter or add to the Memorandum or these Articles.

REDEMPTION AND REPURCHASE OF SHARES

132. Subject to the Statute and the other provisions in the Memorandum and Articles, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of such Shares shall be effected in such manner as the Company may determine before the issue of the Shares or as set forth in the Articles.

133. Subject to the Statute and other provisions in the Memorandum and Articles, including provisions of Article 135, the Company may purchase its own Shares (including any redeemable Shares).

134. The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

REDEMPTION

135. Notwithstanding the foregoing, the Preferred Shareholders shall have redemption rights as follows:

(a) Time. To the extent permitted by applicable laws, upon the occurrence of any of the following events: (i) the Company fails to complete an Qualified Initial Public Offering or a Trade Sale (as defined in the Shareholders Agreement) within four (4) years after the Closing Date (as defined in the Share Purchase Agreement); (ii) a material breach of the Transaction Documents by any Group Company or any Founder Parties, while no corrections has been made within thirty (30) days after being notified by any of the Preferred Shareholders; (iii) the termination of the Founder's employment/services contract with any Group Company due to the voluntary termination by the Founder or for Cause, or (iv) the time when any material adverse change (including but not limited to any revocation or termination of the Control Documents hereunder without prior approval of Preferred Majority, unless such revocation or termination is mitigated by other ways of arrangement reasonably acceptable to the Investors which will not materially or significantly affect the Business in the regulatory environment) occurs, under which circumstance the captive structure of the Group Companies which is established through the Control Documents becomes, or has become invalid, illegal or unenforceable (each a "Redemption Event"); then upon the request of any Preferred Shareholder (the "Redeeming Preferred Shareholders"), each Preferred Share (the "Redeeming Preferred Shares") shall be redeemable as requested by the Redeeming Preferred Shareholders. For the avoidance of doubt, as for VME, the Redemption Event as set forth in this Article 135 (a)(ii) above shall include without limitation a material breach of Section 5.06(b) of the Share Purchase Agreement by any Group Company or any Founder Parties, while no corrections has been made within thirty (30) days after being notified by VME, in which case, only VME may request the Company and the Founder to redeem all or any portion of the Preferred Shares that VME then holds pursuant to this Agreement.

(b) Redemption Price. The redemption price for each outstanding Preferred Share (the "Redemption Price") shall be equal to the product of (x) the applicable Deemed Preferred Share Issue Price and (y) (1+8%*N), where N equals to a fraction, (A) the numerator of which is the number of calendar days between the applicable Original Issue Date (as defined in Article 39) and the date on which the relevant Redemption Price is paid in full and (B) the denominator of which is 365, plus any declared but unpaid dividends.

(c) Procedure. The Redeeming Preferred Shareholders shall exercise their redemption right provided herein by delivering a written request (the "Redemption Request") to the Company, notifying the Company the number of the Redeeming Preferred Shares.

Within ten (10) days after receipt of the Redemption Request, the Company shall give written notice (the "Redemption Notice") to each of the Preferred Shareholders who has not delivered the Redemption Request to the Company, at the address last shown on the records of the Company for such Shareholder(s). Such notice shall indicate that the Redeeming Preferred Shareholders have elected redemption of all or a portion of the Redeeming Preferred Shares pursuant to the provisions of this Article 135, and specify the redemption date which shall be no more than sixty (60) days from the date of the Redemption Request (or such other date as agreed between the Company and the relevant Preferred Shareholders requesting for redemption) (the "Redemption Price Payment Date"), and shall direct other Preferred Shareholders requesting for redemption to submit their share certificates to the Company on or before the scheduled Redemption Price Payment Date.

On the Redemption Price Payment Date, the Company shall redeem all the Redeeming Preferred Shares by paying the Redemption Price in cash to the Preferred Shareholders requesting for redemption.

If the Company's assets or funds which are legally available on the Redemption Price Payment Date are insufficient to pay in full the Redemption Prices to be paid, (i) those assets or funds which are legally available shall first redeem the outstanding Series E Preferred Shares held by the requesting holders of the Series E Preferred Shares ratably in proportion to the full amounts to which the holders of the Series E Preferred Shares to which such redemption payments are due or would otherwise be respectively entitled thereon; (ii) after the payment in full of the Redemption Price for the Series E Preferred Shares requested to be redeemed, the remaining assets or funds which are legally available shall redeem the outstanding Series D Preferred Shares held by the requesting holders of the Series D Preferred Shares ratably in proportion to the full amounts to which the holders of the Series D Preferred Shares to which such redemption payments are due or would otherwise be respectively entitled thereon; (iii) after the payment in full of the Redemption Price for the Series E Preferred Shares and the Series D Preferred Shares requested to be redeemed, the remaining assets or funds which are legally available shall redeem the outstanding Series C Preferred Shares held by the requesting holders of the Series C Preferred Shares ratably in proportion to the full amounts to which the holders of the Series C Preferred Shares to which such redemption payments are due or would otherwise be respectively entitled thereon; (iv) after the payment in full of the Redemption Price for the Series E Preferred Shares, the Series D Preferred Shares and the Series C Preferred Shares requested to be redeemed, the remaining assets or funds which are legally available shall redeem the outstanding Series B-1 Preferred Shares held by the requesting holders of the Series B-1 Preferred Shares ratably in proportion to the full amounts to which the holders of the Series B-1 Preferred Shares to which such redemption payments are due or would otherwise be respectively entitled thereon; (v) after the payment in full of the Redemption Price for the Series E Preferred Shares, the Series D Preferred Shares, the Series C Preferred Shares and the Series B-1 Preferred Shares requested to be redeemed, the remaining assets or funds which are legally available shall redeem the outstanding Series B Preferred Shares held by the requesting holders of the Series B Preferred Shares ratably in proportion to the full amounts to which the holders of the Series B Preferred Shares to which such redemption payments are due or would otherwise be respectively entitled thereon; and (vi) after the payment in full of the Redemption Price for the Series E Preferred Shares, the Series D Preferred Shares, the Series C Preferred Shares, the Series B-1 Preferred Shares and the Series B Preferred Shares requested to be redeemed, the remaining assets or funds which are legally available shall redeem the outstanding Series A Preferred Shares held by the requesting holders of the Series A Preferred Shares ratably in proportion to the full amounts to which the holders of the Series A Preferred Shares to which such redemption payments are due or would otherwise be respectively entitled thereon.

Before all the Redemption Price has been paid in respect of the relevant Redeeming Preferred Shares, the redemption shall not be deemed to have been consummated in respect of such Redeeming Preferred Share not having been redeemed on the Redemption Price Payment Date, and such Preferred Shareholder requesting for redemption shall remain entitled to all of its rights, including (without limitation) its voting rights, in respect of such unredeemed Preferred Shares, and each of such unredeemed Preferred Shares shall remain "outstanding" for the purposes hereunder, until such time as the Redemption Price in respect of each such Preferred Share has been paid in full whereupon all such rights shall automatically cease.

Once the Company has received a Redemption Notice, it shall not, and shall not permit any Group Company to, take any action which could have the effect of delaying, undermining or restricting the redemption, and the Company shall in good faith use all reasonable efforts as expeditiously as possible to increase the amount of legally available redemption funds including causing any other Group Company to distribute any and all available funds to the Company for purposes of paying the Redemption Price for all Redeeming Preferred Shares on the Redemption Price Payment Date, and until the date on which each Redeeming Preferred Share is redeemed, the Company shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.

(d) Founder Parties' Liability. Each of the Founder Parties hereby irrevocably and unconditionally guarantees to the Preferred Shareholders the proper and punctual performance by the Company of the Company's obligations under this Article 135. Each of the Founder Parties further undertakes and covenants to the Preferred Shareholders that, upon the occurrence of any of the Redemption Event (but excluding the Repurchase Event set forth in (X) Article 135(a)(i), and (Y) Article 135(a)(iv) to the extent that the occurrence of such Redemption Event set forth in the 135(a)(iv) is not attributable to the willful fault of any Founder Parties), any Preferred Shareholder shall have a put option to sell to the Founder Parties all or any portion of the Preferred Shares requested to be redeemed at the per share price equal to the Redemption Price. Notwithstanding anything to the contrary in the Memorandum and these Articles, the obligations of each Founder Party hereunder shall be limited to the proceeds received by the Founder Party by selling the Shares then such Founder Party holds in the Company at the then fair market value as determined by the Board of the Company (including affirmative votes of a majority of the Investor Directors), unless the Redemption Event is caused due to any fraud, intentional misconduct or willful misrepresentation of such Founder Party. For the avoidance of any doubt, none of the Founder Parties shall be obligated to undertake the liabilities of purchasing or redeeming any Preferred Shares requested to be redeemed upon the occurrence of the Repurchase Event as set forth in (X) Article 135(a)(i), and (Y) Article 135(a)(iv) to the extent that the occurrence of such Redemption Event set forth in the 135(a)(iv) is not attributable to the willful fault of any Founder Parties.

(e) For the avoidance of doubt, this Article 135 shall be forthwith terminated upon consummation of the initial public offering of the Company.

FINANCIAL YEAR

135. Unless the Directors otherwise prescribe, the financial year of the Company shall end on 30 June in each year and, following the year of incorporation, shall begin on 1 July in each year.

Exhibit 3.2

THE COMPANIES ACT (AS REVISED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

QUANTASING GROUP LIMITED

(adopted by a Special Resolution passed on December 20, 2022 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

1. The name of the Company is QuantaSing Group Limited.

2. The Registered Office of the Company will be situated at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, or at such other location within the Cayman Islands as the Directors may from time to time determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

4. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by the Companies Act.

5. The Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands; provided that nothing in this section shall be construed as to prevent the Company effecting and concluding contracts in the Cayman Islands, and exercising in the Cayman Islands all of its powers necessary for the carrying on of its business outside the Cayman Islands.

6. The liability of each Shareholder is limited to the amount, if any, unpaid on the Shares held by such Shareholder.

7. The authorised share capital of the Company is US$70,000 divided into 700,000,000 shares comprising (i) 430,000,000 Class A Ordinary Shares of a par value of US$0.0001 each, (ii) 70,000,000 Class B Ordinary Shares of a par value of US$0.0001 each and (iii) 200,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with Article 9 of the Articles. Subject to the Companies Act and the Articles, the Company shall have power to redeem or purchase any of its Shares and to increase or reduce its authorised share capital and to sub-divide or consolidate the said Shares or any of them and to issue all or any part of its capital whether original, redeemed, increased or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

8. The Company has the power contained in the Companies Act to deregister in the Cayman Islands and be registered by way of continuation in some other jurisdiction.

9. Capitalised terms that are not defined in this Memorandum of Association bear the same meanings as those given in the Articles of Association of the Company.

THE COMPANIES ACT (AS REVISED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED

ARTICLES OF ASSOCIATION

OF

QUANTASING GROUP LIMITED

(adopted by a Special Resolution passed on December 20, 2022 and effective immediately prior to the completion of the initial public offering of the Company's American Depositary Shares representing its Class A Ordinary Shares)

TABLE A

The regulations contained or incorporated in Table 'A' in the First Schedule of the Companies Act shall not apply to the Company and the following Articles shall comprise the Articles of Association of the Company.

INTERPRETATION

1. In these Articles the following defined terms will have the meanings ascribed to them, if not inconsistent with the subject or context:

"ADS"	means an American Depositary Share representing Class A Ordinary Shares;
"Affiliate"	means in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, and (i) in the case of a natural person, shall include, without limitation, such person's spouse, parents, children, siblings, mother-in-law, father-in-law, brothers-in-law and sisters-in-law, a trust for the benefit of any of the foregoing, and a corporation, partnership or any other entity wholly or jointly owned by any of the foregoing, and (ii) in the case of an entity, a Controlled Entity;
"Articles"	means these articles of association of the Company, as amended or substituted from time to time;
"Board" and **"Board of Directors"** and **"Directors"**	means the directors of the Company for the time being, or as the case may be, the directors assembled as a board or as a committee thereof;
"Cause"	means, as determined by the Board: (i) a Person's conviction of, guilty plea, no contest plea or plea of nolo contendere to (a) a felony or a crime involving moral turpitude or (b) any other crime which, in the case of this clause (b), is work related and results in material financial or reputational harm to the Company or its subsidiaries, taken as a whole; (ii) a Person's engagement in fraud, embezzlement, sexual harassment, theft or misappropriation of property, information or other assets, or willful and material dishonesty in connection with such person's employment by the Company or any of its subsidiaries that results in material financial or reputational harm to the Company or its subsidiaries, taken as a whole;

(iii) a Person's failure to comply with the written policies or rules of the Company and/or its subsidiaries, as such policies or rules may be in effect from time to time, that results in material financial or reputational harm to the Company or its subsidiaries, taken as a whole;

(iv) a Person's material breach of any confidentiality agreement, non-competition agreement or similar agreement or covenant with the Company or its subsidiaries that results in material financial or reputational harm to the Company or its subsidiaries, taken as a whole;

(v) a Person's act that would constitute "cause" under any employment agreement by such Person with the Company or its subsidiaries or the laws of the Cayman Islands;

"Chairperson"	means the chairperson of the Board of Directors;
"Class" or "Classes"	means any class or classes of Shares as may from time to time be issued by the Company;
"Class A Ordinary Share"	means an Ordinary Share of a par value of US$0.0001 in the capital of the Company, designated as a Class A Ordinary Shares and having the rights provided for in these Articles;
"Class B Ordinary Share"	means an Ordinary Share of a par value of US$0.0001 in the capital of the Company, designated as a Class B Ordinary Share and having the rights provided for in these Articles;
"Commission"	means the Securities and Exchange Commission of the United States of America or any other federal agency for the time being administering the Securities Act;
"Communication Facilities"	means video, video-conferencing, internet or online conferencing applications, telephone or tele-conferencing and/or any other video-communications, internet or online conferencing application or telecommunications facilities by means of which all Persons participating in a meeting are capable of hearing and being heard by each other;
"Company"	means QuantaSing Group Limited, a Cayman Islands exempted company;
"Companies Act"	means the Companies Act (As Revised) of the Cayman Islands and any statutory amendment or re-enactment thereof;
"Company's Website"	means the main corporate/investor relations website of the Company, the address or domain name of which has been disclosed in any registration statement filed by the Company with the Commission in connection with its initial public offering of ADSs, or which has otherwise been notified to Shareholders;
"Controlled Entity"	means a partnership, a corporation or any other entity or any natural person which directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such entity. The term "control" shall mean the ownership, directly or indirectly, of shares possessing more than fifty per cent (50%) of the voting power of the corporation, partnership or other entity (other than, in the case of a corporation, securities having such power only by reason of the happening of a contingency), or having the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of such corporation, partnership or other entity;

"Designated Person"	means Mr. Peng Li.
"Designated Stock Exchange"	means the stock exchange in the United States on which any Shares and ADSs are listed for trading;
"Designated Stock Exchange Rules"	means the relevant code, rules and regulations, as amended, from time to time, applicable as a result of the original and continued listing of any Shares or ADSs on the Designated Stock Exchange;
"electronic"	has the meaning given to it in the Electronic Transactions Act and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"electronic communication"	means electronic posting to the Company's Website, transmission to any number, address or internet website or other electronic delivery methods as otherwise decided and approved by not less than two-thirds of the vote of the Board;
"Electronic Transactions Act"	means the Electronic Transactions Act (As Revised) of the Cayman Islands and any statutory amendment or re-enactment thereof;
"electronic record"	has the meaning given to it in the Electronic Transactions Act and any amendment thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;
"Final Conversion Date"	means 5:00 p.m. in New York City, New York, USA on the business day immediately following the date that a Final Conversion Trigger Event occurs. In the event of a dispute regarding whether a Final Conversion Trigger Event has occurred, no Final Conversion Trigger Event will be deemed to have occurred unless and until an affirmative ruling regarding such event has been made by a court of competent jurisdiction;
"Final Conversion Trigger Event"	means the first to occur of: (i) the death or Incapacity of the Designated Person; (ii) the date upon which the Designated Person is no longer employed by the Company as its Chief Executive Officer for Cause (iii) if the Designated Person was not employed as the Chief Executive Officer of the Company for at least five years following the date of the closing of the Company's initial public offering, the date when the Designated Person is no longer employed by the Company as its Chief Executive Officer; and (iv) if the Designated Person was employed as the Chief Executive Officer of the Company for at least five years following the date of the closing of the Company's initial public offering, the earlier of: (a) the date the Designated Person ceases to be employed as the Chief Executive Officer of the Company and ceases to be a member of the board of directors of the Company; and (b) if the Designated Person continues to be a member of the board of directors of the Company upon ceasing to be employed as the Chief Executive Officer of the Company, the date that is two (2) years after the date the Designated Person first ceases to be employed as the Chief Executive Officer of the Company without regard to whether the Designated Person is a member of the board of directors on such second anniversary;

"Incapacity"	means, with respect to an individual, that such individual is incapable of managing his or her financial affairs and that can be expected to either result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months, as determined by a licensed medical practitioner. In the event of a dispute regarding whether an individual has suffered an Incapacity, no Incapacity of such individual will be deemed to have occurred unless and until an affirmative ruling regarding such Incapacity has been made by a court of competent jurisdiction;
"Memorandum of Association"	means the memorandum of association of the Company, as amended or substituted from time to time;
"Ordinary Resolution"	means a resolution: (a) passed by a simple majority of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company held in accordance with these Articles; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed;
"Ordinary Share"	means a Class A Ordinary Share or a Class B Ordinary Share;
"paid up"	means paid up as to the par value in respect of the issue of any Shares and includes credited as paid up;
"Person"	means any natural person, firm, company, joint venture, partnership, corporation, association or other entity (whether or not having a separate legal personality) or any of them as the context so requires;
"Present"	means, in respect of any Person, such Person's presence at a general meeting of Shareholders (or any meeting of the holders of any Class of Shares), which may be satisfied by means of such Person or, if a corporation or other non-natural Person, its duly authorized representative (or, in the case of any Shareholder, a proxy which has been validly appointed by such Shareholder in accordance with these Articles), being: (a) physically present at the meeting; or (b) in the case of any meeting at which Communication Facilities are permitted in accordance with these Articles, including any Virtual Meeting, connected by means of the use of such Communication Facilities;

"Register"	means the register of Members of the Company maintained in accordance with the Companies Act;
"Registered Office"	means the registered office of the Company as required by the Companies Act;
"Seal"	means the common seal of the Company (if adopted) including any facsimile thereof;
"Secretary"	means any Person appointed by the Directors to perform any of the duties of the secretary of the Company;
"Securities Act"	means the Securities Act of 1933 of the United States of America, as amended, or any similar federal statute and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time;
"Share"	means a share in the capital of the Company. All references to "Shares" herein shall be deemed to be Shares of any or all Classes as the context may require. For the avoidance of doubt in these Articles the expression "Share" shall include a fraction of a Share;
"Shareholder" or "Member"	means a Person who is registered as the holder of one or more Shares in the Register;
"Share Premium Account"	means the share premium account established in accordance with these Articles and the Companies Act;
"signed"	means bearing a signature or representation of a signature affixed by mechanical means or an electronic symbol or process attached to or logically associated with an electronic communication and executed or adopted by a Person with the intent to sign the electronic communication;
"Special Resolution"	means a special resolution of the Company passed in accordance with the Companies Act, being a resolution: (a) passed by not less than two-thirds of the votes cast by such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy or, in the case of corporations, by their duly authorised representatives, at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given; or (b) approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed;
"Treasury Share"	means a Share held in the name of the Company as a treasury share in accordance with the Companies Act;
"United States"	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction; and.
"Virtual Meeting"	means any general meeting of the Shareholders (or any meeting of the holders of any Class of Shares) at which the Shareholders (and any other permitted participants of such meeting, including without limitation the chairperson of the meeting and any Directors) are permitted to attend and participate solely by means of Communication Facilities.

2. In these Articles, save where the context requires otherwise:

(a) words importing the singular number shall include the plural number and vice versa;

(b) words importing the masculine gender only shall include the feminine gender and any Person as the context may require;

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(d) reference to a dollar or dollars (or US$) and to a cent or cents is reference to dollars and cents of the United States of America;

(e) reference to a statutory enactment shall include reference to any amendment or re-enactment thereof for the time being in force;

(f) reference to any determination by the Directors shall be construed as a determination by the Directors in their sole and absolute discretion and shall be applicable either generally or in any particular case;

(g) reference to "in writing" shall be construed as written or represented by any means reproducible in writing, including any form of print, lithograph, email, facsimile, photograph or telex or represented by any other substitute or format for storage or transmission for writing including in the form of an electronic record or partly one and partly another;

(h) any requirements as to delivery under the Articles include delivery in the form of an electronic record or an electronic communication;

(i) any requirements as to execution or signature under the Articles, including the execution of the Articles themselves, can be satisfied in the form of an electronic signature as defined in the Electronic Transaction Act; and

(j) Sections 8 and 19(3) of the Electronic Transactions Act shall not apply.

3. Subject to the last two preceding Articles, any words defined in the Companies Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

PRELIMINARY

4. The business of the Company may be conducted as the Directors see fit.

5. The Registered Office shall be at such address in the Cayman Islands as the Directors may from time to time determine. The Company may in addition establish and maintain such other offices and places of business and agencies in such places as the Directors may from time to time determine.

6. The expenses incurred in the formation of the Company and in connection with the offer for subscription and issue of Shares shall be paid by the Company. Such expenses may be amortised over such period as the Directors may determine and the amount so paid shall be charged against income and/or capital in the accounts of the Company as the Directors shall determine.

7. The Directors shall keep, or cause to be kept, the Register at such place as the Directors may from time to time determine and, in the absence of any such determination, the Register shall be kept at the Registered Office.

SHARES

8. Notwithstanding anything to the contrary in these Articles, the Company shall not issue any Class B Ordinary Shares following the closing of its initial public offering without the approval of the holders of a majority of the then issued and outstanding Class A Ordinary Shares. Subject to these Articles (including but not limited to the foregoing sentence), all Shares for the time being unissued shall be under the control of the Directors who may, in their absolute discretion and without the approval of the Members, cause the Company to:

   (a) issue, allot and dispose of Shares (including, without limitation, preferred shares) (whether in certificated form or non-certificated form) to such Persons, in such manner, on such terms and having such rights and being subject to such restrictions as they may from time to time determine;

   (b) grant rights over Shares or other securities to be issued in one or more classes or series as they deem necessary or appropriate and determine the designations, powers, preferences, privileges and other rights attaching to such Shares or securities, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, any or all of which may be greater than the powers, preferences, privileges and rights associated with the then issued and outstanding Shares, at such times and on such other terms as they think proper; and

   (c) grant options with respect to Shares and issue warrants or similar instruments with respect thereto.

9. The Directors may authorise the division of Shares into any number of Classes and the different Classes shall be authorised, established and designated (or re-designated as the case may be) and the variations in the relative rights (including, without limitation, voting, dividend and redemption rights), restrictions, preferences, privileges and payment obligations as between the different Classes (if any) may be fixed and determined by the Directors or by an Ordinary Resolution. The Directors may issue Shares with such preferred or other rights, all or any of which may be greater than the rights of Ordinary Shares, at such time and on such terms as they may think appropriate. Notwithstanding Article 17, the Directors may issue from time to time, out of the authorised share capital of the Company (other than the authorised but unissued Ordinary Shares), series of preferred shares in their absolute discretion and without approval of the Members; provided, however, before any preferred shares of any such series are issued, the Directors shall by resolution of Directors determine, with respect to any series of preferred shares, the terms and rights of that series, including:

   (a) the designation of such series, the number of preferred shares to constitute such series and the subscription price thereof if different from the par value thereof;

   (b) whether the preferred shares of such series shall have voting rights, in addition to any voting rights provided by law, and, if so, the terms of such voting rights, which may be general or limited;

   (c) the dividends, if any, payable on such series, whether any such dividends shall be cumulative, and, if so, from what dates, the conditions and dates upon which such dividends shall be payable, and the preference or relation which such dividends shall bear to the dividends payable on any shares of any other class or any other series of shares;

   (d) whether the preferred shares of such series shall be subject to redemption by the Company, and, if so, the times, prices and other conditions of such redemption;

   (e) whether the preferred shares of such series shall have any rights to receive any part of the assets available for distribution amongst the Members upon the liquidation of the Company, and, if so, the terms of such liquidation preference, and the relation which such liquidation preference shall bear to the entitlements of the holders of shares of any other class or any other series of shares;

(f) whether the preferred shares of such series shall be subject to the operation of a retirement or sinking fund and, if so, the extent to and manner in which any such retirement or sinking fund shall be applied to the purchase or redemption of the preferred shares of such series for retirement or other corporate purposes and the terms and provisions relative to the operation thereof;

(g) whether the preferred shares of such series shall be convertible into, or exchangeable for, shares of any other class or any other series of preferred shares or any other securities and, if so, the price or prices or the rate or rates of conversion or exchange and the method, if any, of adjusting the same, and any other terms and conditions of conversion or exchange;

(h) the limitations and restrictions, if any, to be effective while any preferred shares of such series are outstanding upon the payment of dividends or the making of other distributions on, and upon the purchase, redemption or other acquisition by the Company of, the existing shares or shares of any other class of shares or any other series of preferred shares;

(i) the conditions or restrictions, if any, upon the creation of indebtedness of the Company or upon the issue of any additional shares, including additional shares of such series or of any other class of shares or any other series of preferred shares; and

(j) any other powers, preferences and relative, participating, optional and other special rights, and any qualifications, limitations and restrictions thereof;

and, for such purposes, the Directors may reserve an appropriate number of Shares for the time being unissued. The Company shall not issue Shares to bearer.

10. The Company may insofar as may be permitted by law, pay a commission to any Person in consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares. Such commissions may be satisfied by the payment of cash or the lodgement of fully or partly paid-up Shares or partly in one way and partly in the other. The Company may also pay such brokerage as may be lawful on any issue of Shares.

11. The Directors may refuse to accept any application for Shares, and may accept any application in whole or in part, for any reason or for no reason.

CLASS A ORDINARY SHARES AND CLASS B ORDINARY SHARES

12. Holders of Class A Ordinary Shares and Class B Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Members. Each Class A Ordinary Share shall entitle the holder thereof to one (1) vote on all matters subject to vote at general meetings of the Company, and each Class B Ordinary Share shall entitle the holder thereof to ten (10) votes on all matters subject to vote at general meetings of the Company.

13. Each Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time at the option of the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Share delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares. In no event shall Class A Ordinary Shares be convertible into Class B Ordinary Shares.

14. Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of the re-designation of each relevant Class B Ordinary Share as a Class A Ordinary Share. Such conversion shall become effective (i) in the case of any conversion effected pursuant to Article 13, forthwith upon the receipt by the Company of the written notice delivered to the Company as described in Article 13 (or at such later date as may be specified in such notice), or (ii) in the case of any automatic conversion effected pursuant to Article 15, forthwith upon occurrence of the event specified in Article 15 which triggers such automatic conversion, and the Company shall make entries in the Register to record the re-designation of the relevant Class B Ordinary Shares as Class A Ordinary Shares.

15. Upon any sale, transfer, assignment or disposition of any Class B Ordinary Share by a Shareholder to any person who is not the Designated Person or a Controlled Entity of the Designated Person, or upon a change of ultimate beneficial ownership of any Class B Ordinary Share to any Person who is not the Designated Person or a Controlled Entity of the Designated Person, such Class B Ordinary Share shall be automatically and immediately converted into the same number of Class A Ordinary Share. For the avoidance of doubt, (i) a sale, transfer, assignment or disposition shall be effective upon the Company's registration of such sale, transfer, assignment or disposition in its Register; and (ii) the creation of any pledge, charge, encumbrance or other third party right of whatever description on any Class B Ordinary Shares to secure a holder's contractual or legal obligations shall not be deemed as a sale, transfer, assignment or disposition, or a change of ultimate beneficial ownership, unless and until any such pledge, charge, encumbrance or other third party right is enforced and results in the third party holding legal title to the relevant Class B Ordinary Shares, in which case all the related Class B Ordinary Shares shall be automatically converted into the same number of Class A Ordinary Shares. For the purposes of this Article 15, beneficial ownership shall have the meaning set forth in Rule 13d-3 under the United States Securities Exchange Act of 1934, as amended. In addition, each Class B Ordinary Share shall automatically, without further action, convert into one Class A Ordinary Share on the Final Conversion Date. Any Class B Ordinary Shares converted to Class A Ordinary Shares, including, without limitation, following the Final Conversion Date, shall be surrendered for nil consideration and cancelled and may not be reissued as Class B Ordinary Shares, and the Board may thereafter take such appropriate action (without the need for shareholders' approval) as may be necessary to reduce the authorized number of Class B Ordinary Shares by re-designation of such authorised but unissued Class B Ordinary Shares into Class A Ordinary Shares accordingly.

16. Save and except for voting rights and conversion rights as set out in Articles 12 to 15 (inclusive), the Class A Ordinary Shares and the Class B Ordinary Shares shall rank *pari passu* with one another and shall have the same rights, preferences, privileges and restrictions.

MODIFICATION OF RIGHTS

17. Whenever the capital of the Company is divided into different Classes the rights attached to any such Class may, subject to any rights or restrictions for the time being attached to any Class, only be materially adversely varied with the consent in writing of the holders of two-thirds of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that Class. To every such separate meeting all the provisions of these Articles relating to general meetings of the Company or to the proceedings thereat shall, *mutatis mutandis*, apply, except that the necessary quorum shall be one or more Persons holding or representing by proxy at least one-third in nominal or par value amount of the issued Shares of the relevant Class (but so that if at any adjourned meeting of such holders a quorum as above defined is not Present, those Shareholders who are Present shall form a quorum) and that, subject to any rights or restrictions for the time being attached to the Shares of that Class, every Shareholder of the Class shall on a poll have one vote for each Share of the Class held by him. For the purposes of this Article the Directors may treat all the Classes or any two or more Classes as forming one Class if they consider that all such Classes would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate Classes.

18. The rights conferred upon the holders of the Shares of any Class issued with preferred or other rights shall not, subject to any rights or restrictions for the time being attached to the Shares of that Class, be deemed to be materially adversely varied by, inter alia, the creation, allotment or issue of further Shares ranking *pari passu* with or subsequent to them or the redemption or purchase of any Shares of any Class by the Company. The rights of the holders of Shares shall not be deemed to be materially adversely varied by the creation or issue of Shares with preferred or other rights including, without limitation, the creation of Shares with enhanced or weighted voting rights.

CERTIFICATES

19. Every Person whose name is entered as a Member in the Register may, without payment and upon its written request, request a certificate within two calendar months after allotment or lodgement of transfer (or within such other period as the conditions of issue shall provide) in the form determined by the Directors. All certificates shall specify the Share or Shares held by that Person, provided that in respect of a Share or Shares held jointly by several Persons the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a Share to one of several joint holders shall be sufficient delivery to all. All certificates for Shares shall be delivered personally or sent through the post addressed to the Member entitled thereto at the Member's registered address as appearing in the Register.

20. Every share certificate of the Company shall bear such legends as may be required under applicable laws, including the Securities Act.

21. Any two or more certificates representing Shares of any one Class held by any Member may at the Member's request be cancelled and a single new certificate for such Shares issued in lieu on payment (if the Directors shall so require) of one dollar (US$1.00) or such smaller sum as the Directors shall determine.

22. If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same Shares may be issued to the relevant Member upon request, subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

23. In the event that Shares are held jointly by several Persons, any request may be made by any one of the joint holders and if so made shall be binding on all of the joint holders.

FRACTIONAL SHARES

24. The Directors may issue fractions of a Share and, if so issued, a fraction of a Share shall be subject to and carry the corresponding fraction of liabilities (whether with respect to nominal or par value, premium, contributions, calls or otherwise), limitations, preferences, privileges, qualifications, restrictions, rights (including, without prejudice to the generality of the foregoing, voting and participation rights) and other attributes of a whole Share. If more than one fraction of a Share of the same Class is issued to or acquired by the same Shareholder such fractions shall be accumulated.

LIEN

25. The Company has a first and paramount lien on every Share (whether or not fully paid) for all amounts (whether presently payable or not) payable at a fixed time or called in respect of that Share. The Company also has a first and paramount lien on every Share registered in the name of a Person indebted or under liability to the Company (whether he is the sole registered holder of a Share or one of two or more joint holders) for all amounts owing by him or his estate to the Company (whether or not presently payable). The Directors may at any time declare a Share to be wholly or in part exempt from the provisions of this Article. The Company's lien on a Share extends to any amount payable in respect of it, including but not limited to dividends.

26. The Company may sell, in such manner as the Directors in their absolute discretion think fit, any Share on which the Company has a lien, but no sale shall be made unless an amount in respect of which the lien exists is presently payable nor until the expiration of fourteen calendar days after a notice in writing, demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share, or the Persons entitled thereto by reason of his death or bankruptcy.

27. For giving effect to any such sale the Directors may authorise a Person to transfer the Shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the Shares comprised in any such transfer and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

28. The proceeds of the sale after deduction of expenses, fees and commissions incurred by the Company shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall (subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale) be paid to the Person entitled to the Shares immediately prior to the sale.

CALLS ON SHARES

29. Subject to the terms of the allotment, the Directors may from time to time make calls upon the Shareholders in respect of any moneys unpaid on their Shares, and each Shareholder shall (subject to receiving at least fourteen calendar days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on such Shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

30. The joint holders of a Share shall be jointly and severally liable to pay calls in respect thereof.

31. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest upon the sum at the rate of eight percent per annum from the day appointed for the payment thereof to the time of the actual payment, but the Directors shall be at liberty to waive payment of that interest wholly or in part.

32. The provisions of these Articles as to the liability of joint holders and as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified.

33. The Directors may make arrangements with respect to the issue of partly paid Shares for a difference between the Shareholders, or the particular Shares, in the amount of calls to be paid and in the times of payment.

34. The Directors may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any partly paid Shares held by him, and upon all or any of the moneys so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding without the sanction of an Ordinary Resolution, eight percent per annum) as may be agreed upon between the Shareholder paying the sum in advance and the Directors. No such sum paid in advance of calls shall entitle the Member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would, but for such payment, become presently payable.

FORFEITURE OF SHARES

35. If a Shareholder fails to pay any call or instalment of a call in respect of partly paid Shares on the day appointed for payment, the Directors may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

36. The notice shall name a further day (not earlier than the expiration of fourteen calendar days from the date of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited.

37. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by notice has been made, be forfeited by a resolution of the Directors to that effect.

38. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

39. A Person whose Shares have been forfeited shall cease to be a Shareholder in respect of the forfeited Shares, but shall, notwithstanding, remain liable to pay to the Company all moneys which at the date of forfeiture were payable by him to the Company in respect of the Shares forfeited, but his liability shall cease if and when the Company receives payment in full of the amount unpaid on the Shares forfeited.

40. A certificate in writing under the hand of a Director that a Share has been duly forfeited on a date stated in the certificate shall be conclusive evidence of the facts in the declaration as against all Persons claiming to be entitled to the Share.

41. The Company may receive the consideration, if any, given for a Share on any sale or disposition thereof pursuant to the provisions of these Articles as to forfeiture and may execute a transfer of the Share in favour of the Person to whom the Share is sold or disposed of and that Person shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the disposition or sale.

42. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes due and payable, whether on account of the amount of the Share, or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER OF SHARES

43. The instrument of transfer of any Share shall be in writing and in any usual or common form or such other form as the Directors may, in their absolute discretion, approve and be executed by or on behalf of the transferor and if in respect of a nil or partly paid up Share, or if so required by the Directors, shall also be executed on behalf of the transferee and shall be accompanied by the certificate (if any) of the Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain a Shareholder until the name of the transferee is entered in the Register in respect of the relevant Shares.

44. (a) The Directors may in their absolute discretion decline to register any transfer of Shares which is not fully paid up or on which the Company has a lien.

(b) The Directors may also decline to register any transfer of any Share unless:

(i) the instrument of transfer is lodged with the Company, accompanied by the certificate for the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer;

(ii) the instrument of transfer is in respect of only one Class of Shares;

(iii) the instrument of transfer is properly stamped, if required;

(iv) in the case of a transfer to joint holders, the number of joint holders to whom the Share is to be transferred does not exceed four; and

(v) a fee of such maximum sum as the Designated Stock Exchange may determine to be payable, or such lesser sum as the Board of Directors may from time to time require, is paid to the Company in respect thereof.

45. The registration of transfers may, on ten calendar days' notice being given by advertisement in such one or more newspapers, by electronic means or by any other means in accordance with the Designated Stock Exchange Rules, be suspended and the Register closed at such times and for such periods as the Directors may, in their absolute discretion, from time to time determine, provided always that such registration of transfer shall not be suspended nor the Register closed for more than thirty calendar days in any calendar year.

46. All instruments of transfer that are registered shall be retained by the Company. If the Directors refuse to register a transfer of any Shares, they shall within three calendar months after the date on which the transfer was lodged with the Company send notice of the refusal to each of the transferor and the transferee.

TRANSMISSION OF SHARES

47. The legal personal representative of a deceased sole holder of a Share shall be the only Person recognised by the Company as having any title to the Share. In the case of a Share registered in the name of two or more holders, the survivors or survivor, or the legal personal representatives of the deceased survivor, shall be the only Person recognised by the Company as having any title to the Share.

48. Any Person becoming entitled to a Share in consequence of the death or bankruptcy of a Shareholder shall, upon such evidence being produced as may from time to time be required by the Directors, have the right either to be registered as a Shareholder in respect of the Share or, instead of being registered himself, to make such transfer of the Share as the deceased or bankrupt Person could have made; but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the deceased or bankrupt Person before the death or bankruptcy.

49. A Person becoming entitled to a Share by reason of the death or bankruptcy of a Shareholder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered Shareholder, except that he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company, provided however, that the Directors may at any time give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within ninety calendar days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

REGISTRATION OF EMPOWERING INSTRUMENTS

50. The Company shall be entitled to charge a fee not exceeding one U.S. dollar (US$1.00) on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney, notice in lieu of distringas, or other instrument.

ALTERATION OF SHARE CAPITAL

51. The Company may from time to time by Ordinary Resolution increase the share capital by such sum, to be divided into Shares of such Classes and amount, as the resolution shall prescribe.

52. The Company may by Ordinary Resolution:

    (a) increase its share capital by new Shares of such amount as it thinks expedient;

    (b) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares;

    (c) subdivide its Shares, or any of them, into Shares of an amount smaller than that fixed by the Memorandum, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; and

    (d) cancel any Shares that, at the date of the passing of the resolution, have not been taken or agreed to be taken by any Person and diminish the amount of its share capital by the amount of the Shares so cancelled;

    provided, however, in each case and notwithstanding anything in the Articles to the contrary, if the Company in any manner consolidates, divides, subdivides, combines or otherwise reclassifies the issued and outstanding Class A Ordinary Shares or Class B Ordinary Shares, the issued and outstanding shares of the other such class will concurrently therewith be proportionately consolidated, divided, subdivided, combined or otherwise reclassified in a manner that maintains the same proportionate equity ownership and voting rights between the holders of the issued and outstanding Class A Ordinary shares and the holders of the issued and outstanding Class B Ordinary Shares on the effective date of such action, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the issued and outstanding Class A Ordinary Shares to vote thereon and by the affirmative vote of the holders of a majority of the issued and outstanding Class B Ordinary Shares entitled to vote thereon, each voting separately as a separate class.

53. The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorised by the Companies Act.

REDEMPTION, PURCHASE AND SURRENDER OF SHARES

54. Subject to the provisions of the Companies Act and these Articles, the Company may:

    (a) issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of Shares shall be effected in such manner and upon such terms as may be determined, before the issue of such Shares, by the Board or by Special Resolution;

    (b) purchase its own Shares (including any redeemable Shares) on such terms and in such manner and terms as have been approved by the Board or by Ordinary Resolution; and

    (c) make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Companies Act, including out of capital.

55. The purchase of any Share shall not oblige the Company to purchase any other Share other than as may be required pursuant to applicable law and any other contractual obligations of the Company.

56. The holder of the Shares being purchased shall be bound to deliver up to the Company the certificate(s) (if any) thereof for cancellation and thereupon the Company shall pay to him the purchase or redemption monies or consideration in respect thereof.

57. The Directors may accept the surrender for no consideration of any fully paid Share.

TREASURY SHARES

58. The Directors may, prior to the purchase, redemption or surrender of any Share, determine that such Share shall be held as a Treasury Share.

59. The Directors may determine to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

GENERAL MEETINGS

60. All general meetings other than annual general meetings shall be called extraordinary general meetings.

61. (a) The Company may (but shall not be obliged to) in each calendar year hold a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as may be determined by the Directors.

(b) At these meetings the report of the Directors (if any) shall be presented.

62. (a) The Chairperson or a majority of the Directors (acting by a resolution of the Board) may call general meetings, and they shall on a Shareholders' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

(b) A Shareholders' requisition is a requisition of Members holding at the date of deposit of the requisition Shares which carry in aggregate not less than two-thirds (2/3) of all votes attaching to all issued and outstanding Shares of the Company that as at the date of the deposit carry the right to vote at general meetings of the Company.

(c) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

(d) If there are no Directors as at the date of the deposit of the Shareholders' requisition, or if the Directors do not within twenty-one (21) calendar days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one (21) calendar days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three calendar months after the expiration of the said twenty-one (21) calendar days.

(e) A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

63. At least seven (7) calendar days' notice shall be given for any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting, by two-thirds (2/3rd) of the Shareholders having a right to attend and vote at the meeting, Present at the meeting.

64. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any Shareholder shall not invalidate the proceedings at any meeting.

PROCEEDINGS AT GENERAL MEETINGS

65. No business except for the appointment of a chairperson for the meeting shall be transacted at any general meeting unless a quorum of Shareholders is Present at the time when the meeting proceeds to business. One or more Shareholders holding Shares which carry in aggregate not less than a majority of all votes attaching to all Shares in issue and entitled to vote at such general meeting, Present at the meeting, shall be a quorum for all purposes.

66. If within half an hour from the time appointed for the meeting a quorum is not Present, the meeting shall be dissolved.

67. If the Directors wish to make this facility available for a specific general meeting or all general meetings of the Company, attendance and participation in any general meeting of the Company may be by means of Communication Facilities. Without limiting the generality of the foregoing, the Directors may determine that any general meeting may be held as a Virtual Meeting. The notice of any general meeting at which Communication Facilities will be utilized (including any Virtual Meeting) must disclose the Communication Facilities that will be used, including the procedures to be followed by any Shareholder or other participant of the Meeting who wishes to utilize such Communication Facilities for the purposes of attending and participating in such meeting, including attending and casting any vote thereat.

68. The Chairperson, if any, of the Board of Directors shall preside as chairperson at every general meeting of the Company. If there is no such Chairperson of the Board of Directors, or if at any general meeting he is not Present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act as chairperson of the meeting, any Director or Person nominated by the Chairperson (or, in the absence of such Chairperson nomination, the Directors) shall preside as chairperson of that meeting, failing which the Shareholders Present shall choose any Person Present to be chairperson of that meeting.

69. The chairperson of any general meeting (including any Virtual Meeting) shall be entitled to attend and participate at any such general meeting by means of Communication Facilities, and to act as the chairperson of such general meeting, in which event the following provisions shall apply:

(a) The chairperson of the meeting shall be deemed to be Present at the meeting; and

(b) If the Communication Facilities are interrupted or fail for any reason to enable the chairperson of the meeting to hear and be heard by all other Persons participating in the meeting, then the other Directors Present at the meeting shall choose another Director Present to act as chairperson of the meeting for the remainder of the meeting; provided that if no other Director is Present at the meeting, or if all the Directors Present decline to take the chair, then the meeting shall be automatically adjourned to the same day in the next week and at such time and place as shall be decided by the board of Directors.

70. The chairperson may with the consent of any general meeting at which a quorum is Present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting, or adjourned meeting, is adjourned for fourteen calendar days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

71. The Directors may cancel or postpone any duly convened general meeting at any time prior to such meeting, except for general meetings requisitioned by the Shareholders in accordance with these Articles, for any reason or for no reason, upon notice in writing to Shareholders. A postponement may be for a stated period of any length or indefinitely as the Directors may determine.

72. At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairperson of the meeting or any Shareholder Present, and unless a poll is so demanded, a declaration by the chairperson of the meeting that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

73. If a poll is duly demanded it shall be taken in such manner as the chairperson of the meeting directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

74. All questions submitted to a meeting shall be decided by an Ordinary Resolution except where a greater majority is required by these Articles or by the Companies Act. In the case of an equality of votes, whether on a show of hands or on a poll, the chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.

75. A poll demanded on the election of a chairperson of the meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairperson of the meeting directs.

VOTES OF SHAREHOLDERS

76. Subject to any rights and restrictions for the time being attached to any Share, on a show of hands every Shareholder Present at the meeting shall, at a general meeting of the Company, each have one vote and on a poll every Shareholder Present at the meeting shall have one (1) vote for each Class A Ordinary Share and ten (10) votes for each Class B Ordinary Share of which he is the holder.

77. In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy (or, if a corporation or other non-natural person, by its duly authorised representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register.

78. Shares carrying the right to vote that are held by a Shareholder of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may be voted, whether on a show of hands or on a poll, by his committee, or other Person in the nature of a committee appointed by that court, and any such committee or other Person may vote in respect of such Shares by proxy.

79. No Shareholder shall be entitled to vote at any general meeting of the Company unless all calls, if any, or other sums presently payable by him in respect of Shares carrying the right to vote held by him have been paid.

80. On a poll votes may be given either personally or by proxy.

81. Each Shareholder, other than a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)), may only appoint one proxy on a show of hand. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised. A proxy need not be a Shareholder.

82. An instrument appointing a proxy may be in any usual or common form or such other form as the Directors may approve.

83. The instrument appointing a proxy shall be deposited at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

(a) not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

(b) in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

(c) where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairperson or to the secretary or to any director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited at such other time (no later than the time for holding the meeting or adjourned meeting) at the Registered Office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The Chairperson may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

84. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

85. A resolution in writing signed by all the Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings of the Company (or being corporations by their duly authorised representatives) shall be as valid and effective as if the same had been passed at a general meeting of the Company duly convened and held.

CORPORATIONS ACTING BY REPRESENTATIVES AT MEETINGS

86. Any corporation which is a Shareholder or a Director may by resolution of its directors or other governing body authorise such Person as it thinks fit to act as its representative at any meeting of the Company or of any meeting of holders of a Class or of the Directors or of a committee of Directors, and the Person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual Shareholder or Director.

DEPOSITARY AND CLEARING HOUSES

87. If a recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) is a Member of the Company it may, by resolution of its directors or other governing body or by power of attorney, authorise such Person(s) as it thinks fit to act as its representative(s) at any general meeting of the Company or of any Class of Shareholders provided that, if more than one Person is so authorised, the authorisation shall specify the number and Class of Shares in respect of which each such Person is so authorised. A Person so authorised pursuant to this Article shall be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) or depositary (or its nominee(s)) could exercise if it were an individual Member holding the number and Class of Shares specified in such authorisation, including the right to vote individually on a show of hands.

DIRECTORS

88. (a) Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than three (3) Directors, the exact number of Directors to be determined from time to time by the Board of Directors.

(b) The Board of Directors shall elect and appoint a Chairperson by a majority of the Directors then in office. The period for which the Chairperson will hold office will also be determined by a majority of all of the Directors then in office. The Chairperson shall preside as chairperson at every meeting of the Board of Directors. To the extent the Chairperson is not present at a meeting of the Board of Directors within fifteen minutes after the time appointed for holding the same, the attending Directors may choose one of their number to be the chairperson of the meeting.

(c) The Company may by Ordinary Resolution appoint any person to be a Director.

(d) The Board may, by the affirmative vote of a simple majority of the Directors present and voting at a Board meeting, appoint any person as a Director, to fill a casual vacancy on the Board or as an addition to the Board.

(e) An appointment of a Director may be on terms that the Director shall automatically retire from office (unless he has sooner vacated office) at the next or a subsequent annual general meeting or upon any specified event or after any specified period in a written agreement between the Company and the Director, if any; but no such term shall be implied in the absence of express provision. Each Director whose term of office expires shall be eligible for re-election at a meeting of the Shareholders or re-appointment by the Board.

89. A Director may be removed from office by an Ordinary Resolution, notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under such agreement). A vacancy on the Board created by the removal of a Director under the previous sentence may be filled by an Ordinary Resolution or by the affirmative vote of a simple majority of the remaining Directors present and voting at a Board meeting. The notice of any meeting at which a resolution to remove a Director shall be proposed or voted upon must contain a statement of the intention to remove that Director and such notice must be served on that Director not less than ten (10) calendar days before the meeting. Such Director is entitled to attend the meeting and be heard on the motion for his removal.

90. The Board may, from time to time, and except as required by applicable law or Designated Stock Exchange Rules, adopt, institute, amend, modify or revoke the corporate governance policies or initiatives of the Company and determine on various corporate governance related matters of the Company as the Board shall determine by resolution of Directors from time to time.

91. A Director shall not be required to hold any Shares in the Company by way of qualification. A Director who is not a Member of the Company shall nevertheless be entitled to attend and speak at general meetings.

92. The remuneration of the Directors may be determined by the Directors or by Ordinary Resolution.

93. The Directors shall be entitled to be paid their travelling, hotel and other expenses properly incurred by them in going to, attending and returning from meetings of the Directors, or any committee of the Directors, or general meetings of the Company, or otherwise in connection with the business of the Company, or to receive such fixed allowance in respect thereof as may be determined by the Directors from time to time, or a combination partly of one such method and partly the other.

ALTERNATE DIRECTOR OR PROXY

94. Any Director may in writing appoint another Person to be his alternate and, save to the extent provided otherwise in the form of appointment, such alternate shall have authority to sign written resolutions on behalf of the appointing Director, but shall not be required to sign such written resolutions where they have been signed by the appointing director, and to act in such Director's place at any meeting of the Directors at which the appointing Director is unable to be present. Every such alternate shall be entitled to attend and vote at meetings of the Directors as a Director when the Director appointing him is not personally present and where he is a Director to have a separate vote on behalf of the Director he is representing in addition to his own vote. A Director may at any time in writing revoke the appointment of an alternate appointed by him. Such alternate shall be deemed for all purposes to be a Director and shall not be deemed to be the agent of the Director appointing him. The remuneration of such alternate shall be payable out of the remuneration of the Director appointing him and the proportion thereof shall be agreed between them.

95. Any Director may appoint any Person, whether or not a Director, to be the proxy of that Director to attend and vote on his behalf, in accordance with instructions given by that Director, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Directors which that Director is unable to attend personally. The instrument appointing the proxy shall be in writing under the hand of the appointing Director and shall be in any usual or common form or such other form as the Directors may approve, and must be lodged with the chairperson of the meeting of the Directors at which such proxy is to be used, or first used, prior to the commencement of the meeting.

POWERS AND DUTIES OF DIRECTORS

96. Subject to the Companies Act, these Articles and to any resolutions passed in a general meeting, the business of the Company shall be managed by the Directors, who may pay all expenses incurred in setting up and registering the Company and may exercise all powers of the Company. No resolution passed by the Company in general meeting shall invalidate any prior act of the Directors that would have been valid if that resolution had not been passed.

97. Subject to these Articles, the Directors may from time to time appoint any natural person or corporation, whether or not a Director to hold such office in the Company as the Directors may think necessary for the administration of the Company, including but not limited to, chief executive officer, one or more other executive officers, president, one or more vice presidents, treasurer, assistant treasurer, manager or controller, and for such term and at such remuneration (whether by way of salary or commission or participation in profits or partly in one way and partly in another), and with such powers and duties as the Directors may think fit. Any natural person or corporation so appointed by the Directors may be removed by the Directors. The Directors may also appoint one or more of their number to the office of managing director upon like terms, but any such appointment shall ipso facto terminate if any managing director ceases for any cause to be a Director, or if the Company by Ordinary Resolution resolves that his tenure of office be terminated.

98. The Directors may appoint any natural person or corporation to be a Secretary (and if need be an assistant Secretary or assistant Secretaries) who shall hold office for such term, at such remuneration and upon such conditions and with such powers as they think fit. Any Secretary or assistant Secretary so appointed by the Directors may be removed by the Directors or by the Company by Ordinary Resolution.

99. The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors.

100. The Directors may from time to time and at any time by power of attorney (whether under Seal or under hand) or otherwise appoint any company, firm or Person or body of Persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys or authorised signatory (any such Person being an "Attorney" or "Authorised Signatory", respectively) of the Company for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such power of attorney or other appointment may contain such provisions for the protection and convenience of Persons dealing with any such Attorney or Authorised Signatory as the Directors may think fit, and may also authorise any such Attorney or Authorised Signatory to delegate all or any of the powers, authorities and discretion vested in him.

101. The Directors may from time to time provide for the management of the affairs of the Company in such manner as they shall think fit and the provisions contained in the three next following Articles shall not limit the general powers conferred by this Article.

102. The Directors from time to time and at any time may establish any committees, local boards or agencies for managing any of the affairs of the Company and may appoint any natural person or corporation to be a member of such committees or local boards and may appoint any managers or agents of the Company and may fix the remuneration of any such natural person or corporation.

103. The Directors from time to time and at any time may delegate to any such committee, local board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such local board, or any of them to fill any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit and the Directors may at any time remove any natural person or corporation so appointed and may annul or vary any such delegation, but no Person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

104. Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

BORROWING POWERS OF DIRECTORS

105. The Directors may from time to time at their discretion exercise all the powers of the Company to raise or borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof, to issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

THE SEAL

106. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of the Seal and if given after may be in general form confirming a number of affixing of the Seal. The Seal shall be affixed in the presence of a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose and every Person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence.

107. The Company may maintain a facsimile of the Seal in such countries or places as the Directors may appoint and such facsimile Seal shall not be affixed to any instrument except by the authority of a resolution of the Directors provided always that such authority may be given prior to or after the affixing of such facsimile Seal and if given after may be in general form confirming a number of affixing of such facsimile Seal. The facsimile Seal shall be affixed in the presence of such Person or Persons as the Directors shall for this purpose appoint and such Person or Persons as aforesaid shall sign every instrument to which the facsimile Seal is so affixed in their presence and such affixing of the facsimile Seal and signing as aforesaid shall have the same meaning and effect as if the Seal had been affixed in the presence of and the instrument signed by a Director or a Secretary (or an assistant Secretary) or in the presence of any one or more Persons as the Directors may appoint for the purpose.

108. Notwithstanding the foregoing, a Secretary or any assistant Secretary shall have the authority to affix the Seal, or the facsimile Seal, to any instrument for the purposes of attesting authenticity of the matter contained therein but which does not create any obligation binding on the Company.

DISQUALIFICATION OF DIRECTORS

109. The office of Director shall be vacated, if the Director:

(a) becomes bankrupt or makes any arrangement or composition with his creditors;

(b) dies or is found to be or becomes of unsound mind;

(c) resigns his office by notice in writing to the Company;

(d) without special leave of absence from the Board, is absent from meetings of the Board for three consecutive meetings and the Board resolves that his office be vacated; or

(e) is removed from office pursuant to any other provision of these Articles.

PROCEEDINGS OF DIRECTORS

110. The Directors may meet together (either within or outside the Cayman Islands) for the despatch of business, adjourn, and otherwise regulate their meetings and proceedings as they think fit. Questions arising at any meeting shall be decided by a majority of votes. At any meeting of the Directors, each Director present in person or represented by his proxy or alternate shall be entitled to one vote. In case of an equality of votes the Chairperson shall have a second or casting vote. A Director may, and a Secretary or assistant Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors.

111. A Director may participate in any meeting of the Directors, or of any committee appointed by the Directors of which such Director is a member, by means of telephone or similar communication equipment by way of which all Persons participating in such meeting can communicate with each other and such participation shall be deemed to constitute presence in person at the meeting.

112. The quorum necessary for the transaction of the business of the Board may be fixed by the Directors, and unless so fixed, the quorum shall be a majority of Directors then in office. A Director represented by proxy or by an alternate Director at any meeting shall be deemed to be present for the purposes of determining whether or not a quorum is present.

113. A Director who is in any way, whether directly or indirectly, interested in a contract or transaction or proposed contract or transaction with the Company shall declare the nature of his interest at a meeting of the Directors. A general notice given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or transaction which may thereafter be made with that company or firm shall be deemed a sufficient declaration of interest in regard to any contract so made or transaction so consummated. A Director may vote in respect of any contract or transaction or proposed contract or transaction notwithstanding that he may be interested therein and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of the Directors at which any such contract or transaction or proposed contract or transaction shall come before the meeting for consideration.

114. A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or place of profit or as vendor, purchaser or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established. A Director, notwithstanding his interest, may be counted in the quorum present at any meeting of the Directors whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement.

115. Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director; provided that nothing herein contained shall authorise a Director or his firm to act as auditor to the Company.

116. The Directors shall cause minutes to be made for the purpose of recording:

    (a) all appointments of officers made by the Directors;

    (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and

    (c) all resolutions and proceedings at all meetings of the Company, and of the Directors and of committees of Directors.

117. When the chairperson of a meeting of the Directors signs the minutes of such meeting the same shall be deemed to have been duly held notwithstanding that all the Directors have not actually come together or that there may have been a technical defect in the proceedings.

118. A resolution in writing signed by all the Directors or all the members of a committee of Directors entitled to receive notice of a meeting of Directors or committee of Directors, as the case may be (an alternate Director, subject as provided otherwise in the terms of appointment of the alternate Director, being entitled to sign such a resolution on behalf of his appointer), shall be as valid and effectual as if it had been passed at a duly called and constituted meeting of Directors or committee of Directors, as the case may be. When signed a resolution may consist of several documents each signed by one or more of the Directors or his duly appointed alternate.

119. The continuing Directors may act notwithstanding any vacancy in their body but if and for so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of increasing the number, or of summoning a general meeting of the Company, but for no other purpose.

120. Subject to any regulations imposed on it by the Directors, a committee appointed by the Directors may elect a chairperson of its meetings. If no such chairperson is elected, or if at any meeting the chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the committee members present may choose one of their number to be chairperson of the meeting.

121. A committee appointed by the Directors may meet and adjourn as it thinks proper. Subject to any regulations imposed on it by the Directors, questions arising at any meeting shall be determined by a majority of votes of the committee members present and in case of an equality of votes the chairperson shall have a second or casting vote.

122. All acts done by any meeting of the Directors or of a committee of Directors, or by any Person acting as a Director, shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or Person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Person had been duly appointed and was qualified to be a Director.

PRESUMPTION OF ASSENT

123. A Director who is present at a meeting of the Board of Directors at which an action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairperson or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIVIDENDS

124. Subject to any rights and restrictions for the time being attached to any Shares, the Directors may from time to time declare dividends (including interim dividends) and other distributions on Shares in issue and authorise payment of the same out of the funds of the Company lawfully available therefor.

125. Subject to any rights and restrictions for the time being attached to any Shares, the Company by Ordinary Resolution may declare dividends, but no dividend shall exceed the amount recommended by the Directors.

126. The Directors may, before recommending or declaring any dividend, set aside out of the funds legally available for distribution such sums as they think proper as a reserve or reserves which shall, in the absolute discretion of the Directors, be applicable for meeting contingencies or for equalising dividends or for any other purpose to which those funds may be properly applied, and pending such application may in the absolute discretion of the Directors, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.

127. Any dividend payable in cash to the holder of Shares may be paid in any manner determined by the Directors. If paid by cheque it will be sent by mail addressed to the holder at his address in the Register, or addressed to such person and at such addresses as the holder may direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such Shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company.

128. The Directors may determine that a dividend shall be paid wholly or partly by the distribution of specific assets (which may consist of the shares or securities of any other company) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Directors may fix the value of such specific assets, may determine that cash payment shall be made to some Shareholders in lieu of specific assets and may vest any such specific assets in trustees on such terms as the Directors think fit.

129. Subject to any rights and restrictions for the time being attached to any Shares, all dividends shall be declared and paid according to the amounts paid up on the Shares, but if and for so long as nothing is paid up on any of the Shares dividends may be declared and paid according to the par value of the Shares. No amount paid on a Share in advance of calls shall, while carrying interest, be treated for the purposes of this Article as paid on the Share.

130. If several Persons are registered as joint holders of any Share, any of them may give effective receipts for any dividend or other moneys payable on or in respect of the Share.

131. No dividend shall bear interest against the Company.

132. Any dividend unclaimed after a period of six calendar years from the date of declaration of such dividend may be forfeited by the Board of Directors and, if so forfeited, shall revert to the Company.

ACCOUNTS, AUDIT AND ANNUAL RETURN AND DECLARATION

133. The books of account relating to the Company's affairs shall be kept in such manner as may be determined from time to time by the Directors.

134. The books of account shall be kept at the Registered Office, or at such other place or places as the Directors think fit, and shall always be open to the inspection of the Directors.

135. The Directors may from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors, and no Shareholder (not being a Director) shall have any right to inspect any account or book or document of the Company except as conferred by law or authorised by the Directors or by Ordinary Resolution.

136. The accounts relating to the Company's affairs shall be audited in such manner and with such financial year end as may be determined from time to time by the Directors or failing any determination as aforesaid shall not be audited.

137. The Directors may appoint an auditor of the Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration.

138. Every auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

139. The auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment, and at any time during their term of office, upon request of the Directors or any general meeting of the Members.

140. The Directors in each calendar year shall prepare, or cause to be prepared, an annual return and declaration setting forth the particulars required by the Companies Act and deliver a copy thereof to the Registrar of Companies in the Cayman Islands.

CAPITALISATION OF RESERVES

141. Subject to the Companies Act, the Directors may:

(a) resolve to capitalise an amount standing to the credit of reserves (including a Share Premium Account, capital redemption reserve and profit and loss account), which is available for distribution;

(b) appropriate the sum resolved to be capitalised to the Shareholders in proportion to the nominal amount of Shares (whether or not fully paid) held by them respectively and apply that sum on their behalf in or towards:

(i) paying up the amounts (if any) for the time being unpaid on Shares held by them respectively, or

(ii) paying up in full unissued Shares or debentures of a nominal amount equal to that sum,

and allot the Shares or debentures, credited as fully paid, to the Shareholders (or as they may direct) in those proportions, or partly in one way and partly in the other, but the Share Premium Account, the capital redemption reserve and profits which are not available for distribution may, for the purposes of this Article, only be applied in paying up unissued Shares to be allotted to Shareholders credited as fully paid;

(c) make any arrangements they think fit to resolve a difficulty arising in the distribution of a capitalised reserve and in particular, without limitation, where Shares or debentures become distributable in fractions the Directors may deal with the fractions as they think fit;

(d) authorise a Person to enter (on behalf of all the Shareholders concerned) into an agreement with the Company providing for either:

(i) the allotment to the Shareholders respectively, credited as fully paid, of Shares or debentures to which they may be entitled on the capitalisation, or

(ii) the payment by the Company on behalf of the Shareholders (by the application of their respective proportions of the reserves resolved to be capitalised) of the amounts or part of the amounts remaining unpaid on their existing Shares,

and any such agreement made under this authority being effective and binding on all those Shareholders; and

(e) generally do all acts and things required to give effect to the resolution.

142. Notwithstanding any provisions in these Articles, the Directors may resolve to capitalise an amount standing to the credit of reserves (including the share premium account, capital redemption reserve and profit and loss account) or otherwise available for distribution by applying such sum in paying up in full unissued Shares to be allotted and issued to:

(a) employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members;

(b) any trustee of any trust or administrator of any share incentive scheme or employee benefit scheme to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or Members; or

(c) any depositary of the Company for the purposes of the issue, allotment and delivery by the depositary of ADSs to employees (including Directors) or service providers of the Company or its Affiliates upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Directors or the Members.

SHARE PREMIUM ACCOUNT

143. The Directors shall in accordance with the Companies Act establish a Share Premium Account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any Share.

144. There shall be debited to any Share Premium Account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Act, out of capital.

NOTICES

145. Except as otherwise provided in these Articles, any notice or document may be served by the Company or by the Person entitled to give notice to any Shareholder either personally, or by posting it by airmail or a recognised courier service in a prepaid letter addressed to such Shareholder at his address as appearing in the Register, or by electronic mail to any electronic mail address such Shareholder may have specified in writing for the purpose of such service of notices, or by facsimile to any facsimile number such Shareholder may have specified in writing for the purpose of such service of notices, or by placing it on the Company's Website should the Directors deem it appropriate. In the case of joint holders of a Share, all notices shall be given to that one of the joint holders whose name stands first in the Register in respect of the joint holding, and notice so given shall be sufficient notice to all the joint holders.

146. Notices sent from one country to another shall be sent or forwarded by prepaid airmail or a recognised courier service.

147. Any Shareholder Present at any meeting of the Company shall for all purposes be deemed to have received due notice of such meeting and, where requisite, of the purposes for which such meeting was convened.

148. Any notice or other document, if served by:

(a) post, shall be deemed to have been served five calendar days after the time when the letter containing the same is posted;

(b) facsimile, shall be deemed to have been served upon production by the transmitting facsimile machine of a report confirming transmission of the facsimile in full to the facsimile number of the recipient;

(c) recognised courier service, shall be deemed to have been served 48 hours after the time when the letter containing the same is delivered to the courier service; or

(d) electronic means, shall be deemed to have been served immediately (i) upon the time of the transmission to the electronic mail address supplied by the Shareholder to the Company or (ii) upon the time of its placement on the Company's Website.

In proving service by post or courier service it shall be sufficient to prove that the letter containing the notice or documents was properly addressed and duly posted or delivered to the courier service.

149. Any notice or document delivered or sent by post to or left at the registered address of any Shareholder in accordance with the terms of these Articles shall notwithstanding that such Shareholder be then dead or bankrupt, and whether or not the Company has notice of his death or bankruptcy, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder, unless his name shall at the time of the service of the notice or document have been removed from the Register as the holder of the Share, and such service shall for all purposes be deemed a sufficient service of such notice or document on all Persons interested (whether jointly with or as claiming through or under him) in the Share.

150. Notice of every general meeting of the Company shall be given to:

(a) all Shareholders holding Shares with the right to receive notice and who have supplied to the Company an address for the giving of notices to them; and

(b) every Person entitled to a Share in consequence of the death or bankruptcy of a Shareholder, who but for his death or bankruptcy would be entitled to receive notice of the meeting.

No other Person shall be entitled to receive notices of general meetings.

INFORMATION

151. Subject to the relevant laws, rules and regulations applicable to the Company, no Member shall be entitled to require discovery of any information in respect of any detail of the Company's trading or any information which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Board would not be in the interests of the Members of the Company to communicate to the public.

152. Subject to due compliance with the relevant laws, rules and regulations applicable to the Company, the Board shall be entitled to release or disclose any information in its possession, custody or control regarding the Company or its affairs to any of its Members including, without limitation, information contained in the Register and transfer books of the Company.

INDEMNITY

153. Every Director (including for the purposes of this Article any alternate Director appointed pursuant to the provisions of these Articles), Secretary, assistant Secretary, or other officer for the time being and from time to time of the Company (but not including the Company's auditors) and the personal representatives of the same (each an "Indemnified Person") shall be indemnified and secured harmless against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Indemnified Person, other than by reason of such Indemnified Person's own dishonesty, wilful default or fraud, in or about the conduct of the Company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such Indemnified Person in defending (whether successfully or otherwise) any civil proceedings concerning the Company or its affairs in any court whether in the Cayman Islands or elsewhere.

154. No Indemnified Person shall be liable:

(a) for the acts, receipts, neglects, defaults or omissions of any other Director or officer or agent of the Company; or

(b) for any loss on account of defect of title to any property of the Company; or

(c) on account of the insufficiency of any security in or upon which any money of the Company shall be invested; or

(d) for any loss incurred through any bank, broker or other similar Person; or

(e) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on such Indemnified Person's part; or

(f) for any loss, damage or misfortune whatsoever which may happen in or arise from the execution or discharge of the duties, powers, authorities, or discretions of such Indemnified Person's office or in relation thereto;

unless the same shall happen through such Indemnified Person's own dishonesty, wilful default or fraud.

FINANCIAL YEAR

155. Unless the Directors otherwise prescribe, the financial year of the Company shall end on June 30th in each calendar year and shall begin on July 1st in each calendar year.

NON-RECOGNITION OF TRUSTS

156. No Person shall be recognised by the Company as holding any Share upon any trust and the Company shall not, unless required by law, be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or (except only as otherwise provided by these Articles or as the Companies Act requires) any other right in respect of any Share except an absolute right to the entirety thereof in each Shareholder registered in the Register.

WINDING UP

157. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Companies Act, divide amongst the Members in species or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

158. If the Company shall be wound up, and the assets available for distribution amongst the Members shall be insufficient to repay the whole of the share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them. If in a winding up the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise. This Article is without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

AMENDMENT OF ARTICLES OF ASSOCIATION

159. Subject to the Companies Act, the Company may at any time and from time to time by Special Resolution alter or amend these Articles in whole or in part; provided however, notwithstanding anything in these Articles to the contrary, so long as any Class A Ordinary Shares remain issued and outstanding, the Company shall not, without the prior affirmative vote of the holders of a majority of the issued and outstanding Class A Ordinary Shares, voting as a separate class, in addition to any other vote required by applicable law or these Articles, directly or indirectly, whether by amendment, or through merger, recapitalization, reclassification, subdivision, combination, consolidation, share exchange, business combination or otherwise, amend, alter, change, repeal or adopt any provision of these Articles: (1) in a manner that is inconsistent with, or that otherwise alters or changes, any of the voting, conversion, dividend or liquidation provisions of the Class A Ordinary Shares or other rights, powers, preferences or privileges of the Class A Ordinary Shares; (2) to provide for each Class B Ordinary Share to have more than ten (10) votes per share or any rights to a separate class vote of the holders of Class B Ordinary Shares other than as provided by these Articles or required by applicable law; or (3) to otherwise adversely impact the rights, powers, preferences or privileges of the Class A Ordinary Shares in a manner that is disparate from the manner in which it affects the rights, powers, preferences or privileges of the Class B Ordinary Shares.

CLOSING OF REGISTER OR FIXING RECORD DATE

160. For the purpose of determining those Shareholders that are entitled to receive notice of, attend or vote at any meeting of Shareholders or any adjournment thereof, or those Shareholders that are entitled to receive payment of any dividend, or in order to make a determination as to who is a Shareholder for any other purpose, the Directors may provide that the Register shall be closed for transfers for a stated period which shall not exceed in any case thirty calendar days in any calendar year.

161. In lieu of or apart from closing the Register, the Directors may fix in advance a date as the record date for any such determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of the Shareholders and for the purpose of determining those Shareholders that are entitled to receive payment of any dividend the Directors may, at or within ninety calendar days prior to the date of declaration of such dividend, fix a subsequent date as the record date for such determination.

162. If the Register is not so closed and no record date is fixed for the determination of those Shareholders entitled to receive notice of, attend or vote at a meeting of Shareholders or those Shareholders that are entitled to receive payment of a dividend, the date on which notice of the meeting is posted or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of those Shareholders that are entitled to receive notice of, attend or vote at a meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

REGISTRATION BY WAY OF CONTINUATION

163. The Company may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing. In furtherance of a resolution adopted pursuant to this Article, the Directors may cause an application to be made to the Registrar of Companies to deregister the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all such further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

DISCLOSURE

164. The Directors, or any service providers (including the officers, the Secretary and the registered office provider of the Company) specifically authorised by the Directors, shall be entitled to disclose to any regulatory or judicial authority any information regarding the affairs of the Company including without limitation information contained in the Register and books of the Company.

Exhibit 4.2

Share Certificate

of

QuantaSing Group Limited

(the "Company")

Incorporated in Cayman Islands

Authorized Capital: US$70,000 divided into 700,000,000 shares of a par value of US$0.0001 each, comprising of:-
(i) 430,000,000 Class A Ordinary Shares of a par value of US$0.0001 each,
(ii) 70,000,000 Class B Ordinary Shares of a par value of US$0.0001 each and
(iii) 200,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated)
as the board of directors may determine in accordance with Article 9 of the Articles.

This is to certify that the undermentioned person is the registered holder of the shares specified hereunder in the Company, subject to the Articles of Association of the Company.

Name & Address of the Shareholder:							
Certificate No.:		Class of Shares:	**Class A Ordinary**	No. of Shares:		Consideration Paid:	

Date of Issue:

Given under the common seal of the Company on the date stated herein.

Director / Officer

NO TRANSFER OF ANY OF THE ABOVE SHARES CAN BE REGISTERED UNLESS ACCOMPANIED BY THIS CERTIFICATE

IN ACCORDANCE WITH ITEM 601(B)(10)(IV) OF REGULATION S-K, CERTAIN IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THE EXHIBIT BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

AMENDED AND RESTATED SHAREHOLDERS AGREEMENT

This AMENDED AND RESTATED SHAREHOLDERS AGREEMENT (this "**Agreement**") is made and entered into as of December 20, 2022 by and among:

1. QuantaSing Group Limited, an exempted company with limited liability organized and existing under the laws of the Cayman Islands (the "**Company**");
2. Even Par Holding Limited, a company organized and existing under the laws of the British Virgin Islands (the "**BVI Company**");
3. the HK Subsidiary and the BVI Subsidiary, as listed in Exhibit A attached hereto;
4. the WFOE, as listed in Exhibit B attached hereto;
5. the PRC Affiliates, as listed in Exhibit C attached hereto;
6. LI Peng (李鹏), the PRC ID Number [***] (the "**Founder**");
7. K2 EVERGREEN PARTNERS LIMITED (the "**K2 Evergreen**");
8. K2 FAMILY PARTNERS LIMITED (the "**K2 Family**");
9. K2 PARTNERS III LIMITED (the "**K2 III**", together with K2 Evergreen and K2 Family, the "**K2**" or the "**Series A Investors**" (as for K2 Family and K2 III, with respect to the Series A Preferred Shares K2 Family and K2 III hold in the Company), each a "**Series A Investor**");
10. DCM Ventures China Fund (DCM VIII), L.P. (the "**DCM Ventures**");
11. DCM VIII, L.P. (the "**DCM VIII**");
12. DCM Affiliates Fund VIII, L.P. (the "**DCM Affiliates**", together with DCM Ventures and DCM VIII, collectively the "**DCM**"; DCM together with K2 Family and K2 III (as for DCM, K2 Family and K2 III, with respect to the Series B Preferred Shares DCM, K2 Family and K2 III hold in the Company), collectively the "**Series B Investors**", each a "**Series B Investor**");
13. GGV Discovery I, L.P. (the "**GGV Discovery**");
14. GGV Capital VI Entrepreneurs Fund L.P. (the "**GGV Capital**", together with GGV Discovery, collectively the "**GGV**");
15. Prospect Avenue Capital Inc. (the "**PAC Entity**", together with GGV (as for GGV, with respect to the Series B-1 Preferred Shares GGV hold in the Company), collectively the "**Series B-1 Investors**", and each a "**Series B-1 Investor**"; the Series B-1 Investors together with the Series B Investors, the "**Class B Investors**", and each a "**Class B Investor**");
16. Qiming Venture Partners VI, L.P. (the "**Qiming Venture**");

17. Qiming Managing Directors Fund VI, L.P. (the "**Qiming Fund**", together with Qiming Venture, collectively "**Qiming**"; Qiming together with K2 Family, K2 III, DCM and GGV (as for K2 Family, K2 III, DCM and GGV, with respect to the Series C Preferred Shares K2 Family, K2 III, DCM and GGV hold in the Company), collectively the "**Series C Investors**", and each a "**Series C Investor**");

18. Prospect Avenue Capital Limited Partnership (the "**PAC Fund**", together with Qiming and GGV (as for Qiming and GGV, with respect to the Series D Preferred Shares respectively held by them in the Company), collectively, the "**Series D Investors**", and each a "**Series D Investor**");

19. VM EDU Fund I, L.P. (the "**VME**");

20. Lingfeng Capital Partners Fund I, LP (the "**Lingfeng**"); and

21. Foley Square Investment Limited (the "**Foley Investment**", together with PAC Entity and PAC Fund, collectively the "**PAC**"; Foley Investment together with VME, Lingfeng, GGV, and Qiming (as for Qiming, and GGV, with respect to the Series E Preferred Shares respectively held by them in the Company), collectively the "**Series E Investors**", and each a "**Series E Investor**"; the Series E Investors together with the Series D Investors, the Series C Investors, the Class B Investors and the Series A Investors, collectively the "**Investors**", and each an "**Investor**").

The Company, the BVI Subsidiary, the HK Subsidiary, the WFOE and the PRC Affiliates are referred to collectively herein as the "**Group Companies**", and each a "**Group Company**". The WFOE and the PRC Affiliates are referred to collectively herein as the "**PRC Companies**", and each a "**PRC Company**".

RECITALS

A. Witty network Limited (the "**Witty**"), the Founder, the Series A Investors and other relevant parties have entered into a Series A Preferred Shares Purchase Agreement dated April 25, 2017 (the "**Series A Share Purchase Agreement**"), under which Witty has issued and allotted certain number of Series A convertible preferred shares, par value US$0.0001 per share (the "**Series A Preferred Shares**") to the Series A Investors.

B. Witty, the Founder and the Series B Investors have entered into a Series B Preferred Shares Purchase Agreement dated April 23, 2018 (the "**Series B Share Purchase Agreement**"), under which Witty has issued and allotted certain number of Series B convertible preferred shares, par value US$0.0001 per share (the "**Series B Preferred Shares**") to the Series B Investors.

C. Witty, the Founder and the Series B-1 Investors have entered into a Series B-1 Preferred Shares Purchase Agreement dated May 17, 2018 (the "**Series B-1 Share Purchase Agreement**"), under which Witty has issued and allotted certain number of Series B-1 convertible preferred shares, par value US$0.0001 per share (the "**Series B-1 Preferred Shares**", together with the Series B Preferred Shares, the "**Class B Preferred Shares**") to the Series B-1 Investors.

D. Witty, the Founder and the Series C Investors have entered into a Series C Preferred Shares Purchase Agreement dated June 7, 2018 (the "**Series C Share Purchase Agreement**"), under which Witty has issued and allotted certain number of Series C convertible preferred shares, par value US$0.0001 per share (the "**Series C Preferred Shares**") to the Series C Investors.

E. Witty, the Founder and the Series D Investors have entered into a Series D Preferred Shares Purchase Agreement dated August 13, 2020 (the "**Share D Purchase Agreement**"), under which Witty has issued and allotted certain number of Series D convertible preferred shares, par value US$0.0001 per share (the "**Series D Preferred Shares**") to the Series D Investors.

F. Witty, the Founder and the Series E Investors have entered into a Series E Preferred Shares Purchase Agreement dated November 4, 2020 (the "**Share Purchase Agreement**", together with the Series A Purchase Agreement, the Series B Purchase Agreement, the Series B-1 Purchase Agreement, the Series C Purchase Agreement, and the Series D Purchase Agreement, collectively the "**Share Purchase Agreements**"), under which Witty shall issue and allot certain number of Series E convertible preferred shares, par value US$0.0001 per share (the "**Series E Preferred Shares**", together with the Series D Preferred Shares, the Series C Preferred Shares, the Class B Preferred Shares and the Series A Preferred Shares, the "**Preferred Shares**") to the Series E Investors.

G. On May 31, 2021, the board of directors of Witty and the shareholders of Witty approved the spin-off of certain onshore and offshore legal entities and businesses of Witty in order to adapt to the business development (the "**Witty Restructuring**"). On the same date, in connection with the consummation of the transactions contemplated by the Witty Restructuring, the shareholders of Witty, EW Technology, or their respective affiliated entities entered into a shareholders agreement (the "**EW Shareholders Agreement**"), and various agreements, instruments or document in connection with the Witty Restructuring for the governance, management and operations of the Group Companies and for the rights and obligations between and among the Investors and EW Technology. Pursuant to the Witty Restructuring, EW Technology issued shares at par value of to each of the shareholders of Witty or their respective affiliated entities designed by such shareholders immediately prior to the Witty Restructuring and the shareholding of EW Technology after the issuance was the same as Witty's shareholding structure immediately prior to the Witty Restructuring.

H. Further to adapt to the business development, the board of directors of EW Technology and the shareholders of EW Technology have approved the spin-off of the onshore and offshore legal entities and businesses of EW Technology as described therein (the "**Restructuring**"), respectively. Pursuant to the Restructuring, the Company will issue shares at par value to each of the shareholders of EW Technology or their respective affiliated entities designed by such shareholders immediately prior to the Restructuring and the shareholding structure of the Company after the issuance will be the same as EW Technology's shareholding structure immediately prior to the Restructuring.

I. On May 31, 2022, in connection with the consummation of the transactions contemplated by the Restructuring, the parties hereto and other relevant parties desire to enter into a shareholders agreement (the "**Prior QS Shareholders Agreement**") and various agreements, instruments or documents in connection with the Restructuring for the governance, management and operations of the Group Companies and for the rights and obligations between and among the Investors and the Company.

J. The parties to the Prior QS Shareholders Agreement desire to amend and restate the Prior QS Shareholders Agreement in its entirety pursuant to the terms set forth in this Agreement, and the parties to the Prior QS Shareholders Agreement have agreed that the Prior QS Shareholders Agreement shall be of no further force and effect and further that the rights granted to the Parties hereto under this Agreement shall, upon its execution, supersede the rights granted to such parties under the Prior QS Shareholders Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. INFORMATION RIGHTS; BOARD REPRESENTATION.

1.1. Information and Inspection Rights.

(a) Information Rights. Each of the Group Companies covenants and agrees that, commencing on the date of this Agreement, for so long as any Preferred Shares are outstanding, the Group Companies shall deliver to each holder of the Preferred Shares:

(i) audited annual consolidated financial statements, within forty-five (45) days after the end of each fiscal year, prepared in conformance with the PRC generally accepted accounting principles ("**PRC GAAP**") and audited by the accounting firms acceptable to the Investors, with comparison with actual result against annual capital expenditure and operations budget;

(ii) unaudited monthly consolidated balance sheet, cash flow statement and income statement, within fifteen (15) days after the end of each month, prepared in conformance with the PRC GAAP, with comparison with actual result against annual capital expenditure, management report and operations budget, if requested by such holder of Preferred Shares within seven (7) days before the end of such month;

(iii) unaudited quarterly consolidated balance sheet, cash flow statement and income statement, within thirty (30) days after the end of each quarter, prepared in conformance with the PRC GAAP, with comparison with actual result against annual capital expenditure, management report and operations budget, if requested by such holder of Preferred Shares within seven (7) days before the end of such quarter;

(iv) an annual capital expenditure, operations budget (including but not limited to the investment in the fixed assets) and the strategic plan of the Group Companies for the following fiscal year, as approved by the Board, within thirty (30) days prior to the end of each fiscal year;

(v) copies of all Company documents or other Company information sent to any shareholder;

(vi) upon the written request by any holder of Preferred Shares, such other information as such holder of Preferred Shares shall reasonably request from time to time (the above rights, collectively, the "**Information Rights**").

All financial statements to be provided to such holder of Preferred Shares pursuant to this Section 1.1(a) shall include an income statement, a balance sheet and a cash flow statement for the relevant period as well as for the fiscal year to-date and shall be prepared in conformance with the PRC GAAP.

(b) Inspection Rights. Each of the Group Companies further covenants and agrees that, commencing on the date of this Agreement, for so long as any Preferred Shares are outstanding, each holder of Preferred Shares shall have (i) the right to inspect facilities, records and books of the Group Companies at any time during regular working hours upon reasonable prior notice to the Group Companies, (ii) the right to discuss the business, operations and conditions of the Group Companies with their respective directors, officers, employees, accountants, legal counsel and investment bankers, and (iii) the right to be informed by the Company immediately upon the occurrence of any material change of the business plan or any change of senior management (the "**Inspection Rights**").

(c) Termination of Rights. The Information Rights and Inspection Rights shall terminate upon consummation of a firm commitment underwritten public offering of the class A ordinary shares of the Company ("**Class A Ordinary Shares**", together with class B ordinary shares of the Company, collectively the "**Ordinary Shares**") in the United States, that has been registered under the United States Securities Act of 1933, as amended from time to time, including any successor statutes (the "**Securities Act**") or in a similar public offering of the Ordinary Shares of the Company in Hong Kong or another jurisdiction which results in the Ordinary Shares trading publicly on a recognized international securities exchange; provided that such similar offering is subject to the prior written approval of the holders of more than fifty percent (50%) of the then outstanding Series A Preferred Shares (the "**Series A Preferred Majority**"), the holders of more than fifty percent (50%) of the then outstanding Class B Preferred Shares (the "**Class B Preferred Majority**"), the holders of more than fifty percent (50%) of the then outstanding Series C Preferred Shares (the "**Series C Preferred Majority**"), the holders of more than fifty percent (50%) of the then outstanding Series D Preferred Shares (the "**Series D Preferred Majority**") and the holders of more than fifty percent (50%) of the then outstanding Series E Preferred Shares (the "**Series E Preferred Majority**", together with the Series A Preferred Majority, Class B Preferred Majority, Series C Preferred Majority, Series D Preferred Majority, collectively the "**Preferred Majority**") (the said public offering, a "**Qualified Initial Public Offering**").

1.2. Board of Directors. The First Memorandum and Articles of Association of the Company (the "**Articles**") shall provide that the board of the directors of the Company (the "**Board**") shall consist of up to thirteen (13) members, which number of members shall not be changed except pursuant to an amendment to the Articles. Effective from the date hereof,

(i) VME shall be entitled to appoint and remove one (1) director to the extent it holds not less than three point five percent (3.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "**VME Director**");

(ii) PAC shall be entitled to appoint and remove one (1) director to the extent it holds not less than four point five percent (4.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "**PAC Director**");

(iii) Qiming shall be entitled to appoint and remove one (1) director to the extent it holds not less than four point five percent (4.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "**Qiming Director**");

(iv) GGV shall be entitled to appoint and remove one (1) director to the extent it holds not less than four point five percent (4.5%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "**GGV Director**");

(v) DCM shall be entitled to appoint and remove one (1) director to the extent it holds not less than seven percent (7%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "**DCM Director**");

(vi) K2 shall be entitled to appoint and remove one (1) director to the extent it holds not less than seven percent (7%) of the Ordinary Shares issued and outstanding of the Company (calculated on an as-converted basis) (the "**K2 Director**", together with DCM Director, GGV Director, Qiming Director, VME Director and PAC Director, the "**Investor Directors**", and each an "**Investor Director**");

(vii) BVI Company shall be entitled to appoint and remove at least seven (7) directors (the "**Ordinary Directors**").

For the avoidance of doubt, (a) the Founder (A) shall be one (1) of the Ordinary Directors, and (B) will act as the chairman of the Board, and (b) in the event that the BVI Company appoints less than seven (7) Ordinary Directors to the Board, the Founder as an Ordinary Director shall have that number of votes in any Board meeting on a poll, and such number of votes shall be equal to the balance of (x) the total number of Ordinary Directors that the BVI Company is entitled to appoint and (y) the number of Ordinary Directors that the BVI Company actually appoints minus one (1), and any other directors of the Board shall have one (1) vote each in the board meetings on a poll; and in the event that the BVI Company appoints seven (7) Ordinary Directors to the Board, each director of the Board shall have one (1) vote in the board meetings on a poll. If any Investor loses the right to appoint the director that it is entitled to appoint and remove due to the reason of failing to meet the requirement of shareholding threshold, such board seat shall be appointed and removed by the BVI Company.

A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than seven (7) directors, which shall include each Investor Director. A meeting of directors will be adjourned to the same time and place one (1) week thereafter if a quorum is not present at that Board meeting. If at such adjourned meeting a quorum is still not present within forty-five (45) minutes from the time appointed for the meeting, the directors present shall constitute a quorum. At such adjourned meeting, any business that might have been transacted at the meeting may be transacted as originally notified. The Company shall reimburse the directors for all reasonable out-of-pocket expenses incurred in connection with attending any meetings of the Board and any committee thereof.

Lingfeng shall be entitled to appoint one (1) observer of the Board to attend all meetings of the Board in a non-voting observer capacity, subject to the exceptions and limitations set forth in the Management Rights Letter by and between the Company and Lingfeng.

1.3. The BVI Subsidiary, HK Subsidiary, the WFOE and the PRC Affiliates. Each of the BVI Subsidiary, HK Subsidiary, the WFOE and the PRC Affiliates shall have the same number of directors as the Company, and the Investors shall be entitled to appoint and remove the same number of directors to each of the BVI Subsidiary, the HK Subsidiary, the WFOE and the PRC Affiliates as they are entitled to appoint and remove to the Company.

1.4. Termination. The provisions of Sections 1.2 and 1.3 shall terminate upon a Qualified Initial Public Offering.

2. REGISTRATION RIGHTS.

2.1. Applicability of Rights. The Holders (as defined below) shall be entitled to the following rights with respect to any proposed public offering of the Company's Ordinary Shares in the United States and shall be entitled to reasonably equivalent or analogous rights with respect to any other offering of the Company's securities in Hong Kong or any other jurisdiction in which the Company undertakes to publicly offer or list such securities for trading on a recognized securities exchange.

2.2. Definitions. For purposes of this Section 2:

(a) Registration. The terms "**register**," "**registered**," and "**registration**" refer to a registration effected by filing a registration statement which is in a form which complies with, and is declared effective by the SEC (as defined below) in accordance with, the Securities Act.

(b) Registrable Securities. The term "**Registrable Securities**" means: (1) any Ordinary Shares of the Company issued or issuable pursuant to conversion of any shares of Preferred Shares issued (A) as a result of the Restructuring to reflect the corresponding preferred shares issued under the Share Purchase Agreement and the Witty Restructuring, or (B) pursuant to the Right of Participation (as defined in Section 3.1), (2) any Ordinary Shares issued (or issuable upon the conversion or exercise of any warrant, right or other security which is issued) as a dividend or other distribution with respect to, or in exchange for or in replacement of, any Preferred Shares described in clause (1) of this subsection (b), (3) any other Ordinary Shares of the Company owned or hereafter acquired by the holders of Preferred Shares. Notwithstanding the foregoing, "**Registrable Securities**" shall exclude any Registrable Securities sold by a person in a transaction in which rights under this Section 2 are not validly assigned in accordance with this Agreement, and any Registrable Securities which are sold in a registered public offering under the Securities Act or analogous statute of another jurisdiction, or sold pursuant to Rule 144 promulgated under the Securities Act or analogous rule of another jurisdiction.

(c) Registrable Securities Then Outstanding. The number of shares of "**Registrable Securities then Outstanding**" shall mean the number of Ordinary Shares of the Company that are Registrable Securities and are then issued and outstanding, issuable upon conversion of Preferred Shares then issued and outstanding, or issuable upon conversion or exercise of any warrant, right or other security then outstanding.

(d) Holder. For purposes of this Section 2, the term "**Holder**" means any person owning or having the rights to acquire Registrable Securities or any permitted assignee of record of such Registrable Securities to whom rights under this Section 2 have been duly assigned in accordance with this Agreement.

(e) Form F-3. The term "**Form F-3**" means such respective form under the Securities Act or any successor registration form under the Securities Act subsequently adopted by the SEC which permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(f) SEC. The term "**SEC**" or "**Commission**" means the U.S. Securities and Exchange Commission.

(g) Registration Expenses. The term "**Registration Expenses"** shall mean all expenses incurred by the Company in complying with Sections 2.3, 2.4 and 2.5 hereof, including, without limitation, all registration and filing fees, printing expenses, fees, and disbursements of counsel for the Company, reasonable fees and disbursements of one counsel for all the Holders, "blue sky" fees and expenses and the expense of any special audits incident to or required by any such registration (but excluding the compensation of regular employees of the Company which shall be paid in any event by the Company).

(h) Selling Expenses. The term "**Selling Expenses"** shall mean all underwriting discounts and selling commissions applicable to the sale of Registrable Securities pursuant to Sections 2.3, 2.4 and 2.5 hereof.

(i) Exchange Act. The term "**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and any successor statute.

2.3. Demand Registration.

(a) Request by Holders. If the Company shall, at any time after the earlier of (i) the fourth (4^{th}) anniversary of the date of this Agreement or (ii) six (6) months following the taking effect of a registration statement for a Qualified Initial Public Offering, receive a written request from the Holders of at least 25% of the Registrable Securities then outstanding that the Company file a registration statement under the Securities Act covering the registration of at least twenty percent (20%) (or any lesser percentage if the anticipated gross proceeds to the Company from such proposed offering would exceed US$5,000,000) of the Registrable Securities pursuant to this Section 2.3, then the Company shall, within ten (10) business days of the receipt of such written request, give written notice of such request ("**Request Notice**") to all Holders, and use its best efforts to effect, as soon as practicable, the registration under the Securities Act of all Registrable Securities that the Holders request to be registered and included in such registration by written notice given by such Holders to the Company within twenty (20) days after receipt of the Request Notice, subject only to the limitations of this Section 2.3; provided that the Company shall not be obligated to effect any such registration if the Company has, within the six (6) month period preceding the date of such request, already effected a registration under the Securities Act pursuant to this Section 2.3 or Section 2.5 or in which the Holders had an opportunity to participate pursuant to the provisions of Section 2.4, other than a registration from which the Registrable Securities of the Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Section 2.4(a). The Company shall be obligated to effect no more than two (2) Registrations pursuant to this Section 2.3. For purposes of this Agreement, reference to registration of securities under the Securities Act and the Exchange Act shall be deemed to mean the equivalent registration in a jurisdiction other than the United States as designated by such Holders, it being understood and agreed that in each such case all references in this Agreement to the Securities Act, the Exchange Act and rules, forms of registration statements and registration of securities thereunder, U.S. law and the SEC, shall be deemed to refer, to the equivalent statutes, rules, forms of registration statements, registration of securities and laws of and equivalent government authority in the applicable non-U.S. jurisdiction. In addition, "Form F-3" shall be deemed to refer to Form S-3 or any comparable form under the U.S. securities laws in the condition that the Company is not at that time eligible to use Form F-3.

(b) Underwriting. If the Holders initiating the registration request under this Section 2.3 (the "**Initiating Holders**") intend to distribute the Registrable Securities covered by their request by means of an underwriting, then they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the Request Notice. In such event, the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting by the Holders of a majority of the Registrable Securities being registered and reasonably acceptable to the Company. Notwithstanding any other provision of this Section 2.3, if the underwriter(s) advise(s) the Company in writing that marketing factors require a limitation of the number of securities to be underwritten, then the Company shall so advise all Holders of Registrable Securities which would otherwise be registered and underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be reduced as required by the underwriter(s) and allocated among the Holders of Registrable Securities on a pro rata basis according to the number of Registrable Securities then outstanding held by each Holder requesting registration (including the Initiating Holders); provided, however, that the number of shares of Registrable Securities to be included in such underwriting and registration shall not be reduced unless all other securities are first entirely excluded from the underwriting and registration including, without limitation, all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company or any subsidiary of the Company; provided further, that at least twenty percent (20%) (or any lesser percentage if the anticipated gross proceeds to the Company from such proposed offering would exceed $5,000,000) of shares of Registrable Securities requested by the Holders to be included in such underwriting and registration shall be so included. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Deferral. Notwithstanding the foregoing, if the Company shall furnish to Holders requesting registration pursuant to this Section 2.3, a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such registration statement to be filed at such time, then the Company shall have the right to defer such filing for a period of not more than ninety (90) days after receipt of the request of the Initiating Holders; provided, however, that the Company may not utilize this right more than once in any twelve (12) month period; provided further, that the Company shall not register any other of its shares during such twelve (12) month period. A demand right shall not be deemed to have been exercised until such deferred registration shall have been effected.

2.4. Piggyback Registrations.

(a) The Company shall notify all Holders of Registrable Securities in writing at least thirty (30) days prior to filing any registration statement under the Securities Act for purposes of effecting a public offering of securities of the Company (including, but not limited to, registration statements relating to secondary offerings of securities of the Company, but excluding registration statements relating to any employee benefit plan or a corporate reorganization), and shall afford each such Holder an opportunity to include in such registration statement all or any part of the Registrable Securities then held by such Holder. Each Holder desiring to include in any such registration statement all or any part of the Registrable Securities held by it shall within twenty (20) days after receipt of the above-described notice from the Company, so notify the Company in writing, and in such notice shall inform the Company of the number of Registrable Securities such Holder wishes to include in such registration statement. If a Holder decides not to include all of its Registrable Securities in any registration statement thereafter filed by the Company, such Holder shall nevertheless continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of its securities, all upon the terms and conditions set forth herein. No Holder of Registrable Securities shall be granted piggyback registration rights superior to those of the Holders of the Preferred Shares without the consent in writing of the Preferred Majority.

(b) Underwriting. If a registration statement under which the Company gives notice under this Section 2.4 is for an underwritten offering, then the Company shall so advise the Holders of Registrable Securities. In such event, the right of any such Holder's Registrable Securities to be included in a registration pursuant to this Section 2.4 shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their Registrable Securities through such underwriting shall enter into an underwriting agreement in customary form with the managing underwriter or underwriters selected for such underwriting. Notwithstanding any other provision of this Agreement but subject to Section 2.13, if the managing underwriter(s) determine(s) in good faith that marketing factors require a limitation of the number of shares to be underwritten, then the managing underwriter(s) may exclude shares from the registration and the underwriting, and the number of shares that may be included in the registration and the underwriting shall be allocated, first, to the Company, second, to each of the Holders requesting inclusion of their Registrable Securities in such registration statement on a pro rata basis based on the total number of shares of Registrable Securities then held by each such Holder, and third, to holders of other securities of the Company; provided, however, that the right of the underwriter(s) to exclude shares (including Registrable Securities) from the registration and underwriting as described above shall be restricted so that (i) the number of Registrable Securities included in any such registration is not reduced below twenty-five percent (25%) of the aggregate number of shares of Registrable Securities for which inclusion has been requested; and (ii) all shares that are not Registrable Securities and are held by any other person, including, without limitation, any person who is an employee, officer or director of the Company (or any subsidiary of the Company) shall first be excluded from such registration and underwriting before any Registrable Securities are so excluded. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw therefrom by written notice to the Company and the underwriter(s), delivered at least ten (10) business days prior to the effective date of the registration statement. Any Registrable Securities excluded or withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(c) Not Demand Registration. Registration pursuant to this Section 2.4 shall not be deemed to be a demand registration as described in Section 2.3 above. There shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.4.

2.5. Form F-3. In case the Company shall receive from any Holder a written request or requests that the Company effect a registration on Form F-3 and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, then the Company will:

(a) Notice. Promptly give written notice of the proposed registration and the Holder's or Holders' request therefor, and any related qualification or compliance, to all other Holders of Registrable Securities; and

(b) Registration. As soon as practicable, effect such registration and all such qualifications and compliances as may be so requested and as would permit or facilitate the sale and distribution of all or such portion of such Holders or Holders' Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holder or Holders joining in such request as are specified in a written request given within twenty (20) days after the Company provides the notice contemplated by Section 2.5(a); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section 2.5:

(i) if Form F-3 is not available for such offering by the Holders;

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to sell Registrable Securities and such other securities (if any) at an aggregate price to the public of less than US$500,000;

(iii) if the Company shall furnish to the Holders a certificate signed by the President or Chief Executive Officer of the Company stating that in the good faith judgment of the Board, it would be materially detrimental to the Company and its shareholders for such Form F-3 registration to be effected at such time, in which event the Company shall have the right to defer the filing of the Form F-3 registration statement no more than once during any twelve (12) month period for a period of not more than sixty (60) days after receipt of the request of the Holder or Holders under this Section 2.5; provided that the Company shall not register any of its other shares during such sixty (60) day period;

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two (2) registrations under the Securities Act other than a registration from which the Registrable Securities of Holders have been excluded (with respect to all or any portion of the Registrable Securities the Holders requested be included in such registration) pursuant to the provisions of Sections 2.3(b) and 2.4 (a); or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

Subject to the foregoing, the Company shall file a Form F-3 registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Holders.

(c) Not Demand Registration. Form F-3 registrations shall not be deemed to be demand registrations as described in Section 2.3 above. Except as otherwise provided herein, there shall be no limit on the number of times the Holders may request registration of Registrable Securities under this Section 2.5.

2.6. Expenses. All Registration Expenses incurred in connection with any registration pursuant to Sections 2.3, 2.4 or 2.5 (but excluding Selling Expenses, underwriting discounts and commissions, and fees for special counsel of the Holders participating in such registration) shall be borne by the Company; provided, however, the expenses in excess of $25,000 of any special audit required in connection with a Demand Registration shall be borne pro rata by the Holders participating in such registration. Each Holder participating in a registration pursuant to Sections 2.3, 2.4 or 2.5 shall bear such Holder's proportionate share (based on the total number of shares sold in such registration other than for the account of the Company) of all Selling Expenses or other amounts payable to underwriter(s) or brokers, in connection with such offering by the Holders. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered, unless the Holders of a majority of the Registrable Securities then outstanding agree that such registration constitutes the use by the Holders of one (1) demand registration pursuant to Section 2.3; provided further, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business, or prospects of the Company not known to the Holders at the time of their request for such registration and have withdrawn their request for registration with reasonable promptness after learning of such material adverse change, then the Holders shall not be required to pay any of such expenses and such registration shall not constitute the use of a demand registration pursuant to Section 2.3.

2.7. Obligations of the Company. Whenever required to effect the registration of any Registrable Securities under this Agreement the Company shall, as expeditiously as reasonably possible:

(a) Registration Statement. Prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to ninety (90) days or, in the case of Registrable Securities registered under Form F-3 in accordance with Rule 415 under the Securities Act or a successor rule, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such ninety (90) day period shall be extended for a period of time equal to the period any Holder refrains from selling any securities included in such registration at the request of the underwriter(s), and (ii) in the case of any registration of Registrable Securities on Form F-3 which are intended to be offered on a continuous or delayed basis, such ninety (90) day period shall be extended, if necessary, to keep the registration statement effective until all such Registrable Securities are sold.

(b) Amendments and Supplements. Prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement.

(c) Prospectuses. Furnish to the Holders such number of copies of a prospectus, including a preliminary prospectus, in conformity with the requirements of the Securities Act, and such other documents as they may reasonably request in order to facilitate the disposition of the Registrable Securities owned by them that are included in such registration.

(d) Blue Sky. Use its best efforts to register and qualify the securities covered by such registration statement under such other securities or “blue sky” laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act.

(e) Underwriting. In the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement in usual and customary form, with the managing underwriter(s) of such offering. Each Holder participating in such underwriting shall also enter into and perform its obligations under such an agreement.

(f) Notification. Notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Securities Act of (i) the issuance of any stop order by the SEC in respect of such registration statement, or (ii) the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing.

(g) Opinion and Comfort Letter. Furnish, at the request of any Holder requesting registration of Registrable Securities, on the date that such Registrable Securities are delivered to the underwriter(s) for sale, if such securities are being sold through underwriters, or, if such securities are not being sold through underwriters, on the date that the registration statement with respect to such securities becomes effective, (i) an opinion, dated as of such date, of the counsel representing the Company for the purposes of such registration, in form and substance as is customarily given to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities and (ii) letters dated as of (x) the effective date of the registration statement covering such Registrable Securities and (y) the closing date of the offering, from the independent certified public accountants of the Company, in form and substance as is customarily given by independent certified public accountants to underwriters in an underwritten public offering and reasonably satisfactory to a majority in interest of the Holders requesting registration, addressed to the underwriters, if any, and to the Holders requesting registration of Registrable Securities.

2.8. Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to Sections 2.3, 2.4 or 2.5 that the selling Holders shall furnish to the Company such information regarding themselves, the Registrable Securities held by them and the intended method of disposition of such securities as shall be required to timely effect the Registration of their Registrable Securities.

2.9. Indemnification. In the event any Registrable Securities are included in a registration statement under Sections 2.3, 2.4 or 2.5:

(a) By the Company. To the extent permitted by law, the Company will indemnify and hold harmless each Holder, its partners, officers, directors, legal counsel, any underwriter (as defined in the Securities Act) for such Holder and each person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act, or other United States federal or state law, insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "**Violation**"):

(i) any untrue statement or alleged untrue statement of a material fact contained in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto;

(ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or

(iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any United States federal or state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any United States federal or state securities law in connection with the offering covered by such registration statement;

and the Company will reimburse each such Holder, its partner, officer, director, legal counsel, underwriter or controlling person for any legal or other expenses reasonably incurred by them, as such expenses are incurred, in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 2.9(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by such Holder, partner, officer, director, legal counsel, underwriter or controlling person of such Holder.

(b) By Selling Holders. To the extent permitted by law, each selling Holder will, if Registrable Securities held by Holder are included in the securities as to which such registration qualifications or compliance is being effected, indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each person, if any, who controls the Company within the meaning of the Securities Act, any underwriter and any other Holder selling securities under such registration statement or any of such other Holder's partners, directors, officers, legal counsel or any person who controls such Holder within the meaning of the Securities Act or the Exchange Act, against any losses, claims, damages or liabilities (joint or several) to which the Company or any such director, officer, legal counsel, controlling person, underwriter or other such Holder, partner or director, officer or controlling person of such other Holder may become subject under the Securities Act, the Exchange Act or other United States federal or state law, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any legal or other expenses reasonably incurred by the Company or any such director, officer, controlling person, underwriter or other Holder, partner, officer, director or controlling person of such other Holder in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the indemnity agreement contained in this subsection 2.9(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided, further, that in no event shall any indemnity under this Section 2.9(b) exceed the net proceeds received by such Holder in the registered offering out of which the applicable Violation arises.

(c) Notice. Promptly after receipt by an indemnified party under this Section 2.9 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.9, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party shall have the right to retain its own counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential conflict of interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of liability to the indemnified party under this Section 2.9 to the extent the indemnifying party is prejudiced as a result thereof, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.9.

(d) Contribution. In order to provide for just and equitable contribution to joint liability under the Securities Act in any case in which either (i) any indemnified party makes a claim for indemnification pursuant to this Section 2.9 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 2.9 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any indemnified party in circumstances for which indemnification is provided under this Section 2.9; then, and in each such case, the indemnified party and the indemnifying party will contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after contribution from others) in such proportion so that a Holder (together with its related persons) is responsible for the portion represented by the percentage that the public offering price of its Registrable Securities offered by and sold under the registration statement bears to the public offering price of all securities offered by and sold under such registration statement, and the Company and other selling Holders are responsible for the remaining portion. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case: (A) no Holder will be required to contribute any amount in excess of the net proceeds to such Holder from the sale of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement; and (B) no person or entity guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any person or entity who was not guilty of such fraudulent misrepresentation.

(e) Survival; Consents to Judgments and Settlements. The obligations of the Company and Holders under this Section 2.9 shall survive the completion of any offering of Registrable Securities in a registration statement, regardless of the expiration of any statutes of limitation or extensions of such statutes. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

2.10. No Registration Rights to Third Parties. Without the prior written consent of the holders of a majority of the Preferred Shares then outstanding, the Company covenants and agrees that it shall not grant, or cause or permit to be created, for the benefit of any person or entity any registration rights of any kind (whether similar to the demand, "piggyback" or Form F-3 registration rights described in this Section 2, or otherwise) relating to any securities of the Company which are senior to, or on a parity with, those granted to the Holders of Registrable Securities.

2.11. Transfer of Rights. The registration rights may be transferred provided that the Company is given written notice thereof and provided that the transfer a) is in connection with a Transfer of all securities of the transferor, or b) is to constituent partners or shareholders who agree to act through a single representative.

2.12. Rule 144 Reporting. With a view to making available to the Holders the benefits of certain rules and regulations of the SEC which may at any time permit the sale of the Registrable Securities to the public without registration or pursuant to a registration on Form F-3, after such time as a public market exists for the Ordinary Shares, the Company agrees to:

(a) Make and keep public information available, as those terms are understood and defined in Rule 144 under the Securities Act, at all times after the effective date of the first registration under the Securities Act filed by the Company for an offering of its securities to the general public;

(b) File with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements); and

(c) So long as a Holder owns any Registrable Securities, to furnish to such Holder forthwith upon request (i) a written statement by the Company as to its compliance with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the Company's initial public offering), the Securities Act and the Exchange Act (at any time after it has become subject to such reporting requirements), or its qualification as a registrant whose securities may be resold pursuant to Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company, and (iii) such other reports and documents of the Company as a Holder may reasonably request in availing itself of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to Form F-3.

2.13. Market Stand-Off. Each party agrees that, so long as it holds any voting securities of the Company, upon request by the Company or the underwriters managing the initial public offering of the Company's securities, it will not sell or otherwise transfer or dispose of any securities of the Company (other than those permitted to be included in the registration and other transfers to affiliates permitted by law) without the prior written consent of the Company or such underwriters, as the case may be, for a period of time specified by the representative of the underwriters not to exceed 180 days from the effective date of the registration statement covering such initial public offering or the pricing date of such offering as may be requested by the underwriters. The Company shall use commercially reasonable efforts to take all steps to shorten such lock-up period. The foregoing provision of this Section 2.13 shall not apply to the sale of any securities of the Company to an underwriter pursuant to any underwriting agreement, and shall only be applicable to the Holders if all other shareholders of the Company enter into similar agreements, and if the Company or any underwriter releases any other shareholder from his, her or its sale restrictions so undertaken, then each Holder shall be notified prior to such release and shall itself be simultaneously released to the same proportional extent. The Company shall require all future acquirers of the Company's securities to execute prior to a Qualified Initial Public Offering a market stand-off agreement containing substantially similar provisions as those contained in this Section 2.13.

2.14. Termination. The Company shall have no obligations pursuant to Sections 2.3, 2.4 and 2.5 with respect to any Registrable Securities proposed to be sold by a Holder in a registration pursuant to Sections 2.3, 2.4 or 2.5 more than five (5) years after taking effect of a registration statement for a Qualified Public Offering, or, if all such Registrable Securities proposed to be sold by a Holder may then be sold without registration in any ninety (90) day period pursuant to Rule 144 promulgated under the Securities Act, whichever occurs first.

3. RIGHT OF PARTICIPATION.

3.1. General. Without the prior written approval of the Preferred Majority, the Company shall not issue any New Securities (as defined in Section 3.3). Any holders of Preferred Shares, and its assignees, to whom the rights under this Section 3 have been duly assigned in accordance with Section 6 (hereinafter referred to as a "**Participation Rights Holder**") shall have the right of first refusal to purchase such Participation Rights Holder's Pro Rata Share (as defined below), of all (or any part) of any New Securities (as defined in Section 3.3) that the Company may from time to time issue after the date of this Agreement (the "**Right of Participation**").

3.2. Pro Rata Share. A Participation Rights Holder's "**Pro Rata Share**" for purposes of the Right of Participation is equal to the product obtained by multiplying (x) the aggregate number of the New Securities to be issued by the Company by (y) a fraction, the numerator of which is the number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) held by such Participation Rights Holder and the denominator of which is the total number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) then outstanding immediately prior to the issuance of New Securities giving rise to the Right of Participation. For the purpose of this Agreement, **"fully-diluted"** means, with respect to the capitalization of the Company, all warrants, options and convertible securities of the Company are taken into account and assumed to be exercised.

3.3. New Securities. "**New Securities**" shall mean any Preferred Shares, Ordinary Shares or other voting shares of the Company and rights, options or warrants to purchase such Preferred Shares, Ordinary Shares and securities of any type whatsoever that are (including, without limitation, the creation, issuance, sale or sponsorship of any cryptocurrency, decentralized application tokens, protocol tokens, blockchain-based assets or other cryptofinance coins, tokens or similar digital assets by the Company, an officer of the Company or any direct or indirect majority-owned subsidiary of the Company), or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other voting shares, provided, however, that the term "New Securities" shall not include:

(a) any Ordinary Shares (and/or options or warrants therefor) issued to employees, officers, directors, contractors, advisors or consultants of the Company pursuant to the Company's employee share option plans approved by the Board (including the approval of each Investor Director);

(b) any Preferred Shares issued as a result of the Restructuring to reflect the corresponding preferred shares issued under the Share Purchase Agreements and the Witty Restructuring, as such agreement may be amended and any Class A Ordinary Shares issued pursuant to the conversion thereof;

(c) any securities issued in connection with any share split, share dividend or other similar event in which all Participation Rights Holders are entitled to participate on a pro rata basis;

(d) any securities issued upon the exercise, conversion or exchange of any outstanding security if such outstanding security constituted a New Security;

(e) any securities issued pursuant to the acquisition of another corporation or entity by the Company by consolidation, merger, purchase of assets, or other reorganization approved by the Board (including the approval of each Investor Director) in which the Company acquires, in a single transaction or series of related transactions, all or substantially all assets of such other corporation or entity, or fifty percent (50%) or more of the equity ownership or voting power of such other corporation or entity; or

(f) any securities issued pursuant to a Qualified Initial Public Offering.

3.4. Procedures.

(a) First Participation Notice. In the event that the Company proposes to undertake an issuance of New Securities (in a single transaction or a series of related transactions), it shall give to each Participation Rights Holder written notice of its intention to issue New Securities (the "**First Participation Notice**"), describing the amount and type of New Securities, the price and the general terms upon which the Company proposes to issue such New Securities, at least thirty (30) business days before the issuance day. Each Participation Rights Holder shall have fifteen (15) business days from the date of receipt of any such First Participation Notice (the "**First Participation Period**") to agree in writing to purchase such Participation Rights Holder's Pro Rata Share of such New Securities for the price and upon the terms and conditions specified in the First Participation Notice by giving written notice to the Company and stating therein the quantity of New Securities to be purchased (not to exceed such Participation Rights Holder's Pro Rata Share). If any Participation Rights Holder fails to so agree in writing within First Participation Period to purchase such Participation Rights Holder's full Pro Rata Share of an offering of New Securities, then such Participation Rights Holder shall forfeit the right hereunder to purchase that part of its Pro Rata Share of such New Securities that it did not agree to purchase.

(b) Second Participation Notice; Oversubscription. If any Participating Rights Holder fails or declines to exercise its Right of Participation in accordance with subsection (a) above, the Company shall promptly give notice (the "**Second Participation Notice**") to other Participating Rights Holders who exercised their Right of Participation (the "**Right Participants**") in accordance with subsection (a) above. Each Right Participant, other than a Participating Rights Holder who fails or declines to exercise its Right of Participation in accordance with subsection (a) above, shall have five (5) business days from the date of the Second Participation Notice (the "**Second Participation Period**") to notify the Company of its desire to purchase more than its Pro Rata Share of the New Securities, stating the number of the additional New Securities it proposes to buy (the "**Additional Number**"). Such notice may be made by telephone if confirmed in writing within in two (2) business days. If, as a result thereof, such oversubscription exceeds the total number of the remaining New Securities available for purchase, each oversubscribing Right Participant will be cut back by the Company with respect to its oversubscription to that number of remaining New Securities equal to the lesser of (x) the Additional Number and (y) the product obtained by multiplying (i) the number of the remaining New Securities available for subscription by (ii) a fraction, the numerator of which is the number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) held by such oversubscribing Right Participant and the denominator of which is the total number of Ordinary Shares (calculated on a fully-diluted and as-converted basis) held by all the oversubscribing Right Participants.

(c) Each Right Participant shall be obligated to buy such number of New Securities as determined by the Company pursuant to this Section 3.4 and the Company shall so notify the Right Participants within fifteen (15) business days following the date of the Second Participation Notice. The transaction in connection with the New Securities purchased by the Participation Right Holders pursuant to this Section 3 shall be consummated within forty-five (45) days following the receipt of the Second Participation Notice from the Right Participants in respect of the desire to purchase such New Securities.

3.5. Failure to Exercise. Upon the expiration of the Second Participation Period, or in the event no Participation Rights Holder exercises the Right of Participation within fifteen (15) days following the issuance of the First Participation Notice, the Company shall have one hundred and twenty (120) days thereafter to sell the New Securities described in the First Participation Notice (with respect to which the Right of Participation hereunder were not exercised) at the same or higher price and upon non-price terms not materially more favorable to the purchasers thereof than specified in the First Participation Notice, provided that the prospective purchaser of such New Securities shall comply with this Agreement and Articles, as maybe amended from time to time，to the fullest extent or otherwise approved by the Participation Rights Holder. In the event that the Company has not issued and sold such New Securities within such one hundred and twenty (120) day period, then the Company shall not thereafter issue or sell any New Securities without again first offering such New Securities to the Participation Rights Holders pursuant to this Section 3.

3.6. Termination. The Right of Participation for each Participation Rights Holder shall terminate upon a Qualified Initial Public Offering.

4. TRANSFER RESTRICTIONS.

4.1. Certain Definitions. For purposes of this Section 4, "**Ordinary Shares**" means (i) the Company's outstanding Ordinary Shares, (ii) the Ordinary Shares issued or issuable upon conversion of the Company's outstanding Preferred Shares, (iii) the Ordinary Shares issuable upon exercise of outstanding options or warrants and (iv) the Ordinary Shares issuable upon conversion of any outstanding convertible securities; "**Preferred Shareholder**" means any holder of the Preferred Shares and its permitted assignees to whom its rights under this Section 4 have been duly assigned in accordance with this Agreement; and "**Ordinary Shareholder**" means any holder of Ordinary Shares of the Company.

4.2. Preferred Shareholder's Right of First Refusal. Subject to Section 4.5 of this Agreement, if any holder of Ordinary Shares of the Company proposes to sell or transfer any Ordinary Shares held by it (the "**Selling Shareholder**"), then such Selling Shareholder shall promptly give written notice (the "**Transfer Notice**") to the Company and each of the Preferred Shareholder (the "**Non-Selling Shareholders**") prior to such sale or transfer. The Transfer Notice shall describe in reasonable detail the proposed sale or transfer including, without limitation, the number of Ordinary Shares to be sold or transferred (the "**Offered Shares**"), the nature of such sale or transfer, the consideration to be paid, and the name and address of each prospective purchaser or transferee. The Non-Selling Shareholders shall have an option for a period of thirty (30) days from receipt of the Transfer Notice to elect to purchase the Offered Shares at the same price and subject to the same terms and conditions as described in the Transfer Notice. The Non-Selling Shareholders may exercise such purchase option and purchase all or any portion of the Offered Shares by notifying the Selling Shareholder in writing before expiration of such thirty (30) days period as to the number of shares that it wishes to purchase. Each Non-Selling Shareholder will have the right, exercisable upon written notice (the "**Non-Selling Shareholder's First Refusal Notice**") to the Selling Shareholder, the Company and each other Non-Selling Shareholder within thirty (30) days after receipt of the Transfer Notice (the "**Non-Selling Shareholder's First Refusal Period**") of its election to exercise its right of first refusal hereunder. The Non-Selling Shareholder's First Refusal Notice shall set forth the number of Offered Shares that such Non-Selling Shareholder wishes to purchase, which amount shall not exceed the First Refusal Allotment (as defined below) of such Non-Selling Shareholder. Such right of first refusal shall be exercised as follows:

(a) First Refusal Allotment. Each Non-Selling Shareholder shall have the right to purchase that number of the Offered Shares (the "**First Refusal Allotment**") equivalent to the product obtained by multiplying the aggregate number of the Offered Shares by a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) held by such Non-Selling Shareholder at the time of the transaction and the denominator of which is the total number of Ordinary Shares (on an as-converted basis) owned by all Non-Selling Shareholders at the time of the transaction who elect to participate in the right of first refusal purchase. A Non-Selling Shareholder shall not have a right to purchase any of the Offered Shares unless it exercises its right of first refusal within the Non-Selling Shareholder's First Refusal Period to purchase all or part of its First Refusal Allotment of the Offered Shares. To the extent that any Non-Selling Shareholder does not exercise its right of first refusal to the full extent of its First Refusal Allotment, the Selling Shareholder and the exercising Non-Selling Shareholders shall, at the exercising Non-Selling Shareholders' sole discretion, within five (5) days after the end of the Non-Selling Shareholder's First Refusal Period, make such adjustment to the First Refusal Allotment of each exercising Non-Selling Shareholder so that any remaining Offered Shares may be allocated to those Non-Selling Shareholders exercising their rights of first refusal on a pro rata basis.

(b) Purchase Price and Payment. The purchase price for the Offered Shares to be purchased by the Non-Selling Shareholders exercising their right of first refusal will be the price set forth in the Transfer Notice, but will be payable as set forth below. If the purchase price in the Transfer Notice includes consideration other than cash, the cash equivalent value of the non-cash consideration will be as previously determined by the Board in good faith, which determination will be binding upon the Company, the Selling Shareholder and the Non-Selling Shareholders, absent fraud or error. The transaction in connection with the Offered Shares purchased by the Non-Selling Shareholders shall be consummated within forty-five (45) days following the date of the Transfer Notice by wire transfer or check as directed by the Selling Shareholder.

(c) Expiration Notice. Within ten (10) days after the expiration of the Non-Selling Shareholder's First Refusal Period, the Company will give written notice (the "**First Refusal Expiration Notice**") to the Selling Shareholder and the Non-Selling Shareholders specifying either (i) that all of the Offered Shares were subscribed by the Non-Selling Shareholders exercising their rights of first refusal, or (ii) that the Non-Selling Shareholders have not subscribed for all of the Offered Shares in which case the First Refusal Expiration Notice will specify the Co-Sale Pro Rata Portion (as defined below) of the remaining Offered Shares for the purpose of the co-sale right of the holders of the Preferred Shares described in the Section 4.3 below.

(d) Rights of a Selling Shareholder. If any Non-Selling Shareholder exercises its right of first refusal to purchase the Offered Shares, then, upon the date the notice of such exercise is given by the Non-Selling Shareholder, the Selling Shareholder will have no further rights as a holder of such Offered Shares except the right to receive payment for such Offered Shares from such Non-Selling Shareholder in accordance with the terms of this Agreement, and the Selling Shareholder will forthwith cause all certificate(s) evidencing such Offered Shares to be surrendered to the Company for transfer to such Non-Selling Shareholder.

4.3. Preferred Shareholder's Co-Sale Right. In the event that the Non-Selling Shareholders have not exercised their right of first refusal with respect to any or all of the Offered Shares, then the remaining Offered Shares not subscribed for under the right of first refusal pursuant to Section 4.2 above shall be subject to co-sale rights under this Section 4.3 and each Preferred Shareholder who have not exercised any of its right of first refusal with respect to the Offered Shares shall have the right, exercisable upon written notice to the Selling Shareholder, the Company and each other Preferred Shareholder (the "**Co-Sale Notice**") within thirty (30) days after receipt of First Refusal Expiration Notice (the "**Co-Sale Right Period**"), to participate in such sale of the Offered Shares on the same terms and conditions as set forth in the Transfer Notice. The Co-Sale Notice shall set forth the number of Ordinary Shares (on both an absolute and as-converted to Ordinary Shares basis) that such participating Preferred Shareholder wishes to include in such sale or transfer, which amount shall not exceed the Co-Sale Pro Rata Portion (as defined below) of such Preferred Shareholder. To the extent one or more of the Preferred Shareholder exercise such right of participation in accordance with the terms and conditions set forth below, the number of Ordinary Shares that such Selling Shareholder may sell in the transaction shall be correspondingly reduced. The co-sale right of each Preferred Shareholder shall be subject to the following terms and conditions:

(a) Co-Sale Pro Rata Portion. Each Preferred Shareholder may sell all or any part of that number of Ordinary Shares held by it that is equal to the product obtained by multiplying (x) the aggregate number of the Offered Shares subject to the co-sale right hereunder by (y) a fraction, the numerator of which is the number of Ordinary Shares (on an as-converted basis) owned by such Preferred Shareholder at the time of the sale or transfer and the denominator of which is the combined number of Ordinary Shares (on an as-converted basis) at the time owned by all Preferred Shareholder who elect to exercise their co-sale rights (if any Preferred Shareholder does not elect to exercise the co-sale right to the full extent then its Ordinary Shares (on as-converted basis) for calculation in the numerator and denominator shall be proportionately reduced) and the Selling Shareholder ("**Co-Sale Pro Rata Portion**").

(b) Transferred Shares. Each participating Preferred Shareholder shall effect its participation in the sale by promptly delivering to the Selling Shareholder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent:

(i) the number of Ordinary Shares which such Preferred Shareholder elects to sell;

(ii) that number of Preferred Shares which is at such time convertible into the number of Ordinary Shares that such Preferred Shareholder elects to sell; provided in such case that, if the prospective purchaser objects to the delivery of Preferred Shares in lieu of Ordinary Shares, such Preferred Shareholder shall convert such Preferred Shares into Ordinary Shares and deliver Ordinary Shares as provided in Subsection 4.3(b)(i) above. The Company agrees to make any such conversion concurrent with the actual transfer of such shares to the purchaser; or

(iii) a combination of the above.

(c) Payment to Preferred Shareholder. The share certificate or certificates that the participating Preferred Shareholder delivers to the Selling Shareholder pursuant to Section 4.3(b) shall be transferred to the prospective purchaser in consummation of the sale of the Offered Shares pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Preferred Shareholder that portion of the sale proceeds to which such Preferred Shareholder is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase any shares or other securities from a Preferred Shareholder exercising its co-sale right hereunder, the Selling Shareholder shall not sell to such prospective purchaser or purchasers any Ordinary Shares unless and until, simultaneously with such sale, the Selling Shareholder shall purchase such shares or other securities from such Preferred Shareholder.

(d) Right to Transfer. To the extent the Preferred Shareholder do not elect to purchase, or to participate in the sale of, any or all of the Offered Shares subject to the Transfer Notice, the Selling Shareholder may, not later than ninety (90) days following delivery to the Company and each of the Preferred Shareholder of the Transfer Notice, conclude a transfer of the Offered Shares covered by the Transfer Notice and not elected to be purchased by the Company or the Non-Selling Shareholders, which in each case shall be on substantially the same terms and conditions as those described in the Transfer Notice. Any prospective purchaser of such shares shall comply with this Agreement and Articles, as maybe amended from time to time, to the fullest extent. Any proposed transfer on terms and conditions which are materially different from those described in the Transfer Notice, as well as any subsequent proposed transfer of any Ordinary Shares by the Selling Shareholder, shall again be subject to the right of first refusal of the Non-Selling Shareholders and the co-sale right of the Preferred Shareholder and shall require compliance by the Selling Shareholder with the procedures described in Sections 4.2, and 4.3 of this Agreement.

4.4. Permitted Transfers. Notwithstanding anything to the contrary contained herein, the right of first refusal and co-sale rights of the Preferred Shareholder as set forth in the Section 4.2 and Section 4.3 above shall not apply to (a) any Transfer (as defined below) of Ordinary Shares to the Company pursuant to a repurchase right or right of first refusal held by the Company in the event of a termination of employment or consulting relationship; (b) any Transfer to the parents, children or spouse, or to trusts for the benefit of such persons, of any holder of Ordinary Shares for bona fide estate planning purposes; or (c) any Transfer by any Ordinary Shareholder of up to 7,611,283 Ordinary Shares in the Company in the aggregate (each transferee pursuant to the foregoing subsections (a), (b) and (c), a "**Permitted Transferee**"); provided that adequate documentation therefor is provided to the Preferred Shareholder to their satisfaction and that any such Permitted Transferee agrees in writing to be bound by this Agreement in place of the relevant transferor; provided, further, that such transferor shall remain liable for any breach by such Permitted Transferee of any provision hereunder and such Transfer shall not cause a change of control in the Company.

4.5. Prohibited Transfers. Except for transfers by a holder of Ordinary Shares to its Permitted Transferees as provided in Section 4.4 above, none of the holders of Ordinary Shares or their Permitted Transferees shall, without the prior written consent of the Preferred Majority or their permitted assigns, sell, assign, transfer, pledge, hypothecate, mortgage, encumber or otherwise dispose through one or a series of transactions (the "**Transfer**") any Company securities held by him to any person on or prior to a Qualified Initial Public Offering. Any attempt by a party to transfer any Ordinary Shares in violation of this Section 4 shall be void and the Company hereby agrees it will not effect such a transfer nor will it treat any alleged transferee as the holder of such shares without the written consent of the Preferred Majority or its permitted assigns.

4.6. Notwithstanding anything to the contrary, Section 4.2, 4.3 and 4.5 shall not apply to any proposed Transfer of Preferred Shares or Ordinary Shares issued or issuable upon conversion of Preferred Shares by the Preferred Shareholder, without prejudice to the rights of the Preferred Shareholder to purchase any Offered Shares to be transferred by any other shareholders pursuant to Section 4.2 and 4.3. Notwithstanding the foregoing, without the consent of the Founder, none of the Preferred Shareholders and/or their transferee(s) or assignee(s) may transfer any equity securities of the Company to any Competitors of the Company as listed in Exhibit E attached hereto, which list may be updated every twelve (12) months with the prior written approval of the Board (including the affirmative votes of each Investor Director, which approval shall not be unreasonably withheld) in good faith.

4.7. The shareholders specifically agree that the restrictions with regard to the Transfer of the Ordinary Shareholders' shares in the Company as described under this Section 4 shall apply equally to Transfer of the shares of the BVI Company, as if each of the provisions under this Section 4 has been repeated under this Section 4.7 with regard to Transfer of the shares of the BVI Company except that the reference to the shares in the Company has been revised to refer to the shares in the BVI Company, as applicable, so that the result of such restrictions on the indirect Transfer of the shares in the Company by transferring the shares in the BVI Company is the same as if the BVI Company directly transfers the relevant shares in the Company.

4.8. Restriction on Indirect Transfers. Notwithstanding anything to the contrary contained herein, without the prior written approval of the Preferred Majority:

(a) (i) the Founder shall not, directly or indirectly, Transfer any equity interest held, directly or indirectly, by him in the relevant BVI Company to any person; and (ii) the BVI Company shall not, and the Founder shall not cause the BVI Company to, issue to any person any equity securities of the BVI Company or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of the BVI Company.

(b) the Founder and the BVI Company shall not, or shall not cause or permit any other person to, directly or indirectly, Transfer any equity interest held or controlled by him or the BVI Company respectively in the Company to any person. Any Transfer in violation of this Section 4.8 shall be void and the Company hereby agrees it will not effect such a Transfer nor will it treat any alleged transferee as the holder of such equity interest.

(c) Except in compliance with this Agreement, each Group Company shall not, and the Founder shall not (i) Transfer any equity interest held, directly or indirectly, by it, him and/or in the Group Companies to any person; and (ii) cause any Group Company to, issue to any person any equity securities of such Group Company, or any options or warrants for, or any other securities exchangeable for or convertible into, such equity securities of such Group Company.

4.9. Guarantees by the Founder. The Founder hereby guarantees and warrants the performance and obligations of the BVI Company under this Agreement.

4.10. Legend.

(a) Each certificate representing the Ordinary Shares shall be endorsed with the following legend:

"THE SALE, PLEDGE, HYPOTHECATION OR TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN A SHAREHOLDERS AGREEMENT, A COPY OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY."

(b) Each party agrees that the Company may instruct its transfer agent to impose transfer restrictions on the shares represented by certificates bearing the legend referred to in Section 4.10(a) above to enforce the provisions of this Agreement and the Company agrees to promptly do so. The legend shall be removed upon termination of the provisions of this Section 4.

4.11. Term. The provisions under this Section 4 shall terminate upon a Qualified Initial Public Offering.

5. LIQUIDATION.

5.1. Liquidation Preference. In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of the Series E Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Series D Preferred Shares, the holders of the Series C Preferred Shares, the holders of the Class B Preferred Shares, the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series E Preferred Share that equals to (i) one hundred and twenty five percent (125%) of the applicable Series E Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "**Series E Preferred Share Preference Amount**"). After the full Series E Preferred Share Preference Amount on all outstanding Series E Preferred Shares has been paid, the holders of the Series D Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Series C Preferred Shares , the holders of the Class B Preferred Shares, the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series D Preferred Share equals to (i) one hundred percent (100%) of the applicable Series D Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "**Series D Preferred Share Preference Amount**"). After the full Series D Preferred Share Preference Amount on all outstanding Series D Preferred Shares has been paid, the holders of the Series C Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Class B Preferred Shares, the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Series C Preferred Share equals to (i) one hundred percent (100%) of the applicable Series C Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "**Series C Preferred Share Preference Amount**"). After the full Series C Preferred Share Preference Amount on all outstanding Series C Preferred Shares has been paid, the holders of the Class B Preferred Shares shall be entitled to receive, prior to any distribution to the holders of the Series A Preferred Shares, the holders of the Ordinary Shares or any other class or series of shares then outstanding, an amount per Class B Preferred Share equals to (i) one hundred percent (100%) of the applicable Class B Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "**Class B Preferred Share Preference Amount**"). After the full Class B Preferred Share Preference Amount on all outstanding Class B Preferred Shares has been paid but prior to any distribution to the holders of the Ordinary Shares, the holders of the Series A Preferred Shares shall be entitled to receive an amount per Series A Preferred Share equals to (i) one hundred percent (100%) of the Series A Deemed Preferred Share Issue Price, plus (ii) all accrued or declared but unpaid dividends thereon (collectively, the "**Series A Preferred Share Preference Amount**", together with the Class B Preferred Share Preference Amount, the Series C Preferred Share Preference Amount, the Series D Preferred Share Preference Amount and the Series E Preferred Share Preference Amount, the "**Preferred Share Preference Amount**"). After the full Preferred Share Preference Amount on all outstanding Preferred Shares has been paid, any remaining funds or assets of the Company legally available for distribution to shareholders shall be distributed on a pro rata, pari passu basis among the holders of the Preferred Shares (on an as-converted basis), together with the holders of the Ordinary Shares. If the Company has insufficient assets to permit payment of the Series E Preferred Share Preference Amount in full to all holders of Series E Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series E Preferred Shares in proportion to the full Series E Preferred Share Preference Amount each such holder of Series E Preferred Shares would otherwise be entitled to receive under this Section 5.1. If the Company has insufficient assets to permit payment of the Series D Preferred Share Preference Amount in full to all holders of Series D Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series D Preferred Shares in proportion to the full Series D Preferred Share Preference Amount each such holder of Series D Preferred Shares would otherwise be entitled to receive under this Section 5.1. If the Company has insufficient assets to permit payment of the Series C Preferred Share Preference Amount in full to all holders of Series C Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series C Preferred Shares in proportion to the full Series C Preferred Share Preference Amount each such holder of Series C Preferred Shares would otherwise be entitled to receive under this Section 5.1. If the Company has insufficient assets to permit payment of the Class B Preferred Share Preference Amount in full to all holders of Class B Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Class B Preferred Shares in proportion to the full Class B Preferred Share Preference Amount each such holder of Class B Preferred Shares would otherwise be entitled to receive under this Section 5.1. If the Company has insufficient assets to permit payment of the Series A Preferred Share Preference Amount in full to all holders of Series A Preferred Shares, then the assets of the Company shall be distributed ratably to the holders of the Series A Preferred Shares in proportion to the full Series A Preferred Share Preference Amount each such holder of Series A Preferred Shares would otherwise be entitled to receive under this Section 5.1. For the purpose of this Agreement, the "**Series E Deemed Preferred Share Issue Price**" means US$2.33984442 per share for each Series E Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein; the "**Series D Deemed Preferred Share Issue Price**" means US$1.182455131 per share for each Series D Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein; the "**Series C Deemed Preferred Share Issue Price**" means US$0.568621807 per share for each Series C Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein; the "**Class B Deemed Preferred Share Issue Price**" means (i) with respect to the Series B Preferred Shares, US$0.1800 per share for each Series B Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein; and (ii) with respect to the Series B-1 Preferred Shares, US$0.314556745 per share for each Series B-1 Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein (as the case may be); the "**Series A Deemed Preferred Share Issue Price**" means US$0.0455 per share for each Series A Preferred Share, as adjusted for share dividends, splits, combinations, recapitalizations or similar events and are otherwise provided herein.

5.2. Unless waived in writing by the Series A Preferred Majority, the Class B Preferred Majority (including the affirmative vote of the holders of at least fifty percent (50%) of the outstanding Series B-1 Preferred Shares (the "**Series B-1 Preferred Majority**")), the Series C Preferred Majority, the Series D Preferred Majority and the Series E Preferred Majority, (i) the acquisition of the Company (whether by a sale of equity, merger or consolidation) in which in excess of 50% of the Company's voting power outstanding before such transaction is transferred, (ii) the exclusive licensing of all or substantially all of the Company's proprietary rights; or (iii) a sale, transfer or other disposition of all or substantially all the Company's assets (the "**Liquidation Event**"), shall be deemed a liquidation, dissolution or winding up of the Company, such that the provision of Section 5.1 shall apply as if all consideration received by the Company and its shareholders in connection with such event were being distributed in a liquidation of the Company. If the requirements of this Section 5 are not complied with, the Company shall forthwith either (i) cause such closing to be postponed until such time as the requirements of this Section 5 have been complied with, or (ii) cancel such transaction.

5.3. Notwithstanding any other provision of this Section 5, the Company may at any time, out of funds legally available therefor and subject to compliance with the provisions of the applicable laws of the Cayman Islands, repurchase Ordinary Shares of the Company issued to or held by employees, officers or consultants of the Company or its subsidiaries upon termination of their employment or services, pursuant to any bona fide agreement providing for such right of repurchase, whether or not dividends on the Preferred Shares shall have been declared.

5.4. In the event the Company proposes to distribute assets other than cash in connection with any liquidation, dissolution or winding up of the Company, the value of the assets to be distributed to the holders of Preferred Shares and Ordinary Shares shall be that as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board, which decision shall include the affirmative vote from each Investor Director. Any securities not subject to investment letter or similar restrictions on free marketability shall be valued as follows:

(i) If traded on a securities exchange, the value shall be deemed to be the average of the security's closing prices on such exchange over the thirty (30) day period ending one (1) day prior to the distribution;

(ii) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the distribution; and

(iii) If there is no active public market, the value shall be the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board.

The method of valuation of securities subject to restrictions on free marketability shall be adjusted to make an appropriate discount from the market value determined as above in clauses (i), (ii) or (iii) to reflect the fair market value thereof as determined in good faith by the liquidator or, in the case of any proposed distribution in connection with a transaction which is a deemed liquidation hereunder, by the Board. The Series A Preferred Majority or the Series B Preferred Majority (as defined in the Articles) or the Series B-1 Preferred Majority or the Series C Preferred Majority or the Series D Preferred Majority or the Series E Preferred Majority shall have the right to challenge any determination by the liquidator or the Board, as the case may be, of fair market value pursuant to this Section 5, in which case the determination of fair market value shall be made by an independent appraiser selected jointly by the liquidator or the Board, as the case may be, and the challenging parties, the cost of such appraisal to be borne equally by the Company and the challenging party.

6. ASSIGNMENT AND AMENDMENT.

6.1. Assignment and Amendment. Notwithstanding anything herein to the contrary:

(a) Information Rights; Registration Rights. The Information and Inspection Rights under Section 1.1 may be assigned to any holder of Preferred Shares; and the registration rights of the Holders under Section 2 may be assigned to any Holder or to any person acquiring Registrable Securities, provided, however, that in either case no party may be assigned any of the foregoing rights unless the Company is given written notice by the assigning party stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement, including without limitation the provisions of this Section 6.

(b) Right of Participation; Right of First Refusal; Co-Sale Right. The rights of the Preferred Shareholder under Sections 3 and 4 are fully assignable in connection with a transfer of shares of the Company by such Preferred Shareholder; provided, however, that no party may be assigned any of the foregoing rights unless the Company is given written notice by the Preferred Shareholder stating the name and address of the assignee and identifying the securities of the Company as to which the rights in question are being assigned; and provided further, that any such assignee shall receive such assigned rights subject to all the terms and conditions of this Agreement.

6.2. Amendment of Rights. Any provision in this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively), only by the written consent of (i) as to the Company, only by the Company; (ii) as to the Series A Investors, by the Series A Preferred Majority and their permitted assigns; (iii) as to the Series B Investors, by the Series B Preferred Majority and their permitted assigns; (iv) as to the Series B-1 Investors, by the Series B-1 Preferred Majority and their permitted assigns; (v) as to the Series C Investors, by the Series C Preferred Majority and their permitted assigns; (vi) as to the Series D Investors, by the Series D Preferred Majority and their permitted assigns; (vii) as to the Series E Investors, by the Series E Preferred Majority and their permitted assigns; provided that, any amendment or waiver that affects any holder of Preferred Shares of any class or series in a disproportionate and adverse manner than the effect of such amendment or waiver on other holders of Preferred Shares of such class or series shall require the written consent of such holder of Preferred Shares so disproportionately and adversely affected; provided, however, that any holder of Preferred Shares may waive any of its rights hereunder without obtaining the consent of any other holders of Preferred Shares or their assigns; and (vii) as to the holders of Ordinary Shares, by persons or entities holding a majority of the Ordinary Shares and their assigns; provided, however, that any holder of Ordinary Shares may waive any of its rights hereunder without obtaining the consent of any other holders of Ordinary Shares or their assigns. Any amendment or waiver effected in accordance with this Section 6.2 shall be binding upon the Company, the Investors, the holders of Ordinary Shares and their respective assigns.

7. CONFIDENTIALITY AND NON-DISCLOSURE.

7.1. Disclosure of Terms. The terms and conditions of this Agreement, the Share Purchase Agreement, the EW Shareholders Agreement, the Witty Restructuring and the Restructuring, and all exhibits attached to such agreements (collectively, the "**Financing Terms**"), including their existence, shall be considered confidential information and shall not be disclosed by any party hereto to any third party except in accordance with the provisions set forth below; provided that such confidential information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder, and the disclosure of such information, in the sole discretion of the Company, to comply with applicable laws and regulations, including the securities laws and stock exchange rules for its proposed initial public offering.

7.2. Press Releases, Etc. Any press release issued by the Company shall not disclose any of the Financing Terms and the final form of such press release shall be approved in advance in writing by the Investors. No other announcement regarding any of the Financing Terms in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the Investors' prior written consent.

7.3. Permitted Disclosures. Notwithstanding the foregoing, any party may disclose any of the Financing Terms to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys, in each case only where such persons or entities have the need to know such information and are subject to appropriate nondisclosure obligations. Without limiting the generality of the foregoing, the Investors shall be entitled to disclose the Financing Terms for the purposes of fund reporting or inter-fund reporting or to their fund manager, other funds managed by their fund manager and their respective auditors, counsel, directors, officers, employees, shareholders or investors.

7.4. Legally Compelled Disclosure. In the event that any party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of this Agreement, the Share Purchase Agreement, the EW Shareholders Agreement, the Witty Restructuring and the Restructuring, any of the exhibits attached to such agreements, or any of the Financing Terms hereof in contravention of the provisions of this Section 7, such party (the "**Disclosing party**") shall provide the other parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing party.

7.5. Other Information. The provisions of this Section 7 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the parties with respect to the transactions contemplated hereby.

7.6. Notices. All notices required under this section shall be made pursuant to Section 12.1 of this Agreement.

8. PROTECTIVE PROVISIONS.

In addition to such other limitations as may be provided in the Articles, for so long as any Preferred Shares are outstanding, the following acts of the Company shall require the prior written approval of the Preferred Majority, or the written approval of more than fifty percent (50%) of the directors of the Board (including the approval of each Investor Director), as the case maybe. For the purpose of this Section 8, the term "**Company**" means, the Company itself as well as any and all the subsidiaries of the Company (including but not limited to the other Group Companies), to the extent and where applicable. Notwithstanding anything to the contrary contained herein, where any such action requires a special resolution or ordinary resolution of the shareholders in accordance with the Companies Law (Revised) of the Cayman Islands and if the shareholders vote in favor of such act but the approval of the Preferred Majority has not yet been obtained, the holders of the Preferred Shares who vote against such act at a meeting of the shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the shareholders who voted in favor of such act plus one.

(a) any issuance or sale of any equity or debt securities of the Company, excluding any issuance of Class A Ordinary Shares upon conversion of the Preferred Shares (including, without limitation, the creation, issuance, sale or sponsorship of any cryptocurrency, decentralized application tokens, protocol tokens, blockchain-based assets or other cryptofinance coins, tokens or similar digital assets by the Company, an officer of the Company or any direct or indirect majority-owned subsidiary of the Company);

(b) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions provided for the benefit of the Preferred Shares;

(c) any action that authorizes, creates or issues any class of shares of the capital of the Company having preferences superior to or on a parity with the Preferred Shares;

(d) any action that reclassifies any outstanding shares into shares having preferences or priority as to dividends or assets superior to or on a parity with the preference of the Preferred Shares;

(e) any act that repurchases, redeems or retires any of the Company's voting securities (excluding (i) pursuant to contractual rights to repurchase Ordinary Shares or Preferred Shares held by employees, directors or consultants of the Company or its subsidiaries upon termination of their employment or services, or pursuant to the exercise of a contractual right of first refusal held by the Company, or (ii) the redemption entitled by the holders of relevant class or series of shares as set forth in the Articles);

(f) any increase or decrease in the authorized share capital or registered capital, as applicable, of the Company;

(g) any amendment of the Company's Memorandum and Articles of Association or other charter documents of the Company;

(h) the declaration or payment of a dividend or other distributions on any securities of the Company;

(i) any increase or decrease of the authorized size of the board of directors of the Company, or any amendment of the rules to appoint or remove the directors of the Company;

(j) the liquidation, dissolution or winding up of the Company;

(k) any consolidation, merger, corporate reorganization, transaction or series of transactions of the founder, in which in excess of fifty percent (50%) of the Company's voting power is transferred or in which all or substantially all the assets of the Company are sold;

(l) the sale of all or substantially all of any of the Company's assets, or any material asset or undertaking of the Company;

(m) any Transfer of the shares or equity interest of the Company directly or indirectly held by the Founder, or dispose of or dilute the Company's interest, directly or indirectly, in any of its subsidiaries, unless otherwise provided herein;

(n) any establishment, alteration or termination of any profit sharing scheme or any employee share option or share participation schemes, or any grant of options or warrants under such scheme;

(o) incurrence of debt or assumption of any loan, facility or other financial obligation from a third party, or issue, assumption, provision of guarantee, charge, lien or indemnity warranty in favor of a third party, or creation of any liability (including without limitation any off-balance-sheet liability or contingent liability) by the Company, in excess of RMB3,000,000 in the aggregate in any consecutive twelve (12) months period outside the annual budget of the Company, or extension of loan by the Company to any third party in excess of RMB3,000,000 in the aggregate in any consecutive twelve (12) months period outside the annual budget of the Company, other than those in the ordinary course of business;

(p) creation of any liability on any patent, copy right, trademark, or any other intellectual property right of the Company;

(q) the initial public offering of any of the Shares or other equity or debt securities of the Company (or as the case may be, the shares or securities of the relevant entity resulting from any merger, reorganization or other arrangements made by or to the Company for the purposes of public offering);

(r) any equity investments in any other person or entity (including any direct or indirect establishment or any acquisition of any subsidiary);

(s) approval or removal of the auditor of the Company;

(t) any material change to the business of the Company, including entering new lines of business outside the existing business and exiting the current business;

(u) termination or any material amendment to the Restructuring Documents (as defined in the Share Purchase Agreement);

(v) settlement of litigation, arbitration or other disputes involving value of no less than US$500,000 in a single transaction or no less than US$3,000,000 in the aggregate in any consecutive twelve (12) months;

(w) appointment or removal of the Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, Chief Operating Officer;

(x) approval or material amendment (by more than 30% in any fiscal year) of the annual budget; or

(y) agreement or commitment by the Company to do any of the foregoing.

9. PREFERRED INVESTMENT OPTIONS

At any time after Closing, in the event that the any Group Company ceases to conduct or carry on the business of such Group Company substantially similar to those now conducted, and the Founder starts, participates or be engaged in any other new business and/or entity (the "**New Entity**") in the manner as a founder, co-founder or principal, the Founder shall give to each Investor a written notice of his or her such intention , describing the New Entity, the amount and type of securities to be issued by such New Entity, the price and the general terms upon which the New Entity proposes to issue its securities. Each Investor shall have the right, but not the obligation, to invest in the New Entity and purchase its securities pre-emptively and prior to any third party.

10. DRAG ALONG RIGHT

10.1 Drag-Along. In the event that the Founder and the Preferred Majority (which shall include Series B-1 Preferred Majority) (collectively the "**Drag Along Requestors**") approve a Trade Sale (as defined below) (a "**Drag Along Transaction**") that has been approved by the Board (including the approval of each Investor Director), each of the Drag-Along Requestors shall have the right (the "**Drag Along Right**") to require all other shareholders of the Company by giving a written notice (the "**Drag Along Notice**") to all such parties, subject to and upon such terms and conditions as approved by the Drag Along Requestors, and such other shareholders of the Company shall:

(a) vote all voting Shares held by them in the same manner as the Drag-Along Requestors vote;

(b) provide any written waivers or consents necessary or desirable for the consummation of the Drag Along Transaction as requested by the Drag Along Requestors;

(c) refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Drag-Along Transaction;

(d) execute and deliver all related documentation and take such other action in support of the Drag Along Transaction as shall reasonably be requested by the Company or the Drag Along Requestors; and

(e) in the event that the Drag Along Transaction is to be effected by the sale of Shares held by Drag Along Requestors, to sell all Shares of the Company held by such other shareholders of the Company (or in the event that the Drag-Along Requestors are selling fewer than all of their Shares held in the Company, Shares in the same proportion as the Drag Along Requestors are selling) to the person to whom the Drag Along Requestors propose to sell its Shares, on the same terms and conditions as the Drag-Along Requestors (subject to Section 10.3 below).

10.2 In no event shall a holder of Preferred Shares be required to do one or more of the following: (i) assume any obligations in connection with the Drag Along Transaction other than any customary obligations (which, for the avoidance of doubt, shall not include any non-compete provisions, non-solicitation provisions, exclusivity provisions or other restriction on the business of such holder of Preferred Shares or its Affiliates); (ii) give any representations and warranties in connection with such Drag Along Transaction other than those related to title and ownership of such holder's Preferred Shares; (iii) be liable for the inaccuracy of any representation, warranty or covenant made by, or any obligation of, any other party to the Drag Along Transaction, other than the Company; and (iv) agree to any liability regime in which the aggregate liability, if any, of such holder of Preferred Shares in the Drag Along Transaction. including, without limitation, that arising from the breach or inaccuracy of any representations, warranties and covenants made by the Company or any obligation of the Company in connection with such Drag Along Transaction, is different to (x) several and not joint with any other party, and (y) pro rata in proportion to, but not exceeding, the amount of consideration actually received by such holder of Preferred Shares in connection with such Drag Along Transaction.

10.3 The Drag-Along Right shall terminate upon a Qualified Initial Public Offering.

10.4 The Parties acknowledge that any Trade Sale (as defined below) that triggers a Drag Along Transaction will be deemed to be a Liquidation Event and the proceeds received from the Drag Along Transaction will be distributed to the Shareholders in accordance with the liquidation preferences set forth in this Agreement and the Articles.

10.5 The term "**Trade Sale**" refers to any of the following events: (i) any transaction (or a series of related transactions, whether by a sale of equity, issuance of New Securities, merger or consolidation) in which an excess of 50% of a Group Company's voting power outstanding before such transaction is transferred; (ii) the sale, transfer or other disposition of all or substantially all of the assets, or Intellectual Property of any Group Company; or (iii) the exclusive licensing of all or substantially all of any Group Company's Intellectual Property.

11. MOST FAVORABLE NATION TREATMENT

The Seller Parties (as defined in the Share Purchase Agreement) jointly and severally undertake to the Investors that in the event any Group Company grants, issues, or provides any other existing investor, shareholder or Person (each, a "**Relevant Person**") any right, privilege or protection (but excluding the rights, privileges or protections set forth in the Transaction Documents) more favorable than those granted to the Series E Investors or the Series D Investors or the Series C Investors or the Class B Investors, as the case may be, the Series E Investors, the Series D Investors, the Series C Investors or Class B Investors shall have the right to require that such Group Company concurrently grants, issues, or provides the same rights, privileges or protections to the Series E Investors or the Series D Investors or the Series C Investors or Class B Investors, as the case may be, pari passu with such Relevant Person.

12. GENERAL PROVISIONS.

12.1. Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit D hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) business days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other party as set forth in Exhibit D; or (d) three (3) business days after deposit with an international overnight delivery service, postage prepaid, addressed to the parties as set forth in Exhibit D with next business day delivery guaranteed, provided that the sending party receives a confirmation of delivery from the delivery service provider. Each person making a communication hereunder by facsimile or electronic mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery (only with respect to facsimile), and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. A party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 12.1 by giving the other party written notice of the new address in the manner set forth above.

12.2. Entire Agreement. This Agreement and the Share Purchase Agreement, the restricted share agreement, any ancillary agreements (as defined in the Share Purchase Agreement), together with all the exhibits hereto and thereto, constitute and contain the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, agreements, understandings, duties or obligations between the parties respecting the subject matter hereof. Capitalized terms which are not defined hereinto shall have the same meaning as such in the Share Purchase Agreement.

12.3. Waiver. Each of the Series A Investors, the Series B Investors, the Series B-1 Investors, the Series C Investors and the Series D Investors hereby irrevocably releases the Sell Parties (as defined in the Share Purchase Agreement) from their obligations and liabilities arising out of the failure of performing any covenants after the applicable closing within the time limit as respectively set forth in the Series A Share Purchase Agreement, the Series B Share Purchase Agreement, the Series B-1 Share Purchase Agreement, the Series C Share Purchase Agreement and the Series D Share Purchase Agreement.

12.4. Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the laws of the Hong Kong SAR without regard to principles of conflicts of law thereunder.

12.5. Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the parties. In such event, the parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly effects the parties' intent in entering into this Agreement.

12.6. Third Parties. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties hereto and their permitted successors and assigns any rights or remedies under or by reason of this Agreement.

12.7. Successors and Assigns. Subject to the provisions of Section 6.1, the provisions of this Agreement shall inure to the benefit of, and shall be binding upon, the successors and permitted assigns of the parties hereto.

12.8. Interpretation; Captions. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement. The captions to sections of this Agreement have been inserted for identification and reference purposes only and shall not be used to construe or interpret this Agreement. Unless otherwise expressly provided herein, all references to Sections and Exhibits herein are to Sections and Exhibits of this Agreement.

12.9. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile and e-mailed copies of signatures or that in electronic PDF format shall be deemed to be originals for purposes of the effectiveness of this Agreement.

12.10. Adjustments for Share Splits, Etc. Wherever in this Agreement there is a reference to a specific number of shares of Preferred Shares or Ordinary Shares of the Company, then, upon the occurrence of any subdivision, combination or share dividend of the Preferred Shares or Ordinary Shares, the specific number of shares so referenced in this Agreement shall automatically be proportionally adjusted to reflect the effect on the outstanding shares of such class or series of shares by such subdivision, combination or share dividend.

12.11. Aggregation of Shares. All Preferred Shares or Ordinary Shares held or acquired by affiliated entities or persons (as defined in Rule 144 under the Securities Act) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

12.12. Shareholders Agreement to Control. If and to the extent that there are inconsistencies between the provisions of this Agreement and those of the Articles, the terms of this Agreement shall prevail. The parties agree to take all actions necessary or advisable, as promptly as practicable after the discovery of such inconsistency, to amend the Articles so as to eliminate such inconsistency.

12.13. Dispute Resolution.

(a) Negotiation Between Parties. The parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all parties within thirty (30) days, Section 12.13(b) shall apply.

(b) Arbitration. In the event the parties are unable to settle a dispute between them regarding this Agreement in accordance with subsection (a) above, such dispute shall he referred to and finally settled by arbitration at the Hong Kong International Arbitration Centre (the "**HKIAC**") for arbitration in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Administered Arbitration Rules in force at the time of the initiation of the arbitration, which rules are deemed to be incorporated by reference into this subsection (b).

12.14. Further Actions. Each shareholder of the Company agrees that it shall use its best effort to enhance and increase the value and principal business of the Company.

12.15. Effective Date. This Agreement shall take effect and become binding on and enforceable against the parties hereto as of the date hereof.

12.16. Termination of QS Prior Shareholders Agreement. This Agreement supersedes and replaces the QS Prior Shareholders Agreement in its entirety, and such QS Prior Shareholders Agreement shall be of no further force or effect upon execution of this Agreement by the parties required to amend and restate the QS Prior Shareholders Agreement hereto. Each of the parties to the QS Prior Shareholders Agreement hereby expressly consents and agrees to this amendment and restatement of the QS Prior Shareholders Agreement and represents and warrants that this Agreement has been duly approved by the parties to the QS Prior Shareholders Agreement sufficient to constitute a valid amendment to the QS Prior Shareholders Agreement that is binding on all parties to the QS Prior Shareholders Agreement.

12.17. Termination. This Agreement and all rights and covenants contained herein (including those contained in Sections 1, 3, 4, 5, 6, 8, 9, 10 and 11) shall terminate and cease to have effect upon a Qualified Initial Public Offering; provided that, unless otherwise agreed by the parties hereto, any right or obligation stated, explicitly or otherwise, to continue to exist after a Qualified Initial Public Offering (including those under Section 2, 7 and 12) shall remain in force.

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IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

QuantaSing Group Limited

By: /s/ LI Peng
Name: LI Peng (李鹏)
Title: Director

THE BVI SUBSIDIARY:

Hundreds of Mountains Limited

By: /s/ LI Peng
Name: LI Peng (李鹏)
Title: Director

THE HK SUBSIDIARY:

Witty Digital Technology Limited

By: /s/ LI Peng
Name: LI Peng (李鹏)
Title: Director

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE WFOE:

Beijing Liangzizhige Technology Co., Ltd. (北京量子之歌科技有限公司)

By: /s/ LI Peng
/s/ seal
Name: LI Peng
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE PRC AFFILIATES:

Feierlai (Beijing) Technology Co., Ltd. (菲尔莱(北京)科技有限公司)

By: /s/ Fanshuai Meng
/s/ seal
Name: Fanshuai Meng
Title: Authorized Signatory

Beijing Denggaoerge Network Technology Co., Ltd. (北京登高而歌网络科技有限公司)

By: /s/ Xihao Liu
/s/ seal
Name: Xihao Liu
Title: Authorized Signatory

Beijing Shijiwanhe Information Consulting Co., Ltd. (北京世纪万合信息咨询有限公司)

By: /s/ Guangfei Zhao
/s/ seal
Name: Guangfei Zhao
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE BVI COMPANY:

Even Par Holding Limited

By: /s/ LI Peng
Name: LI Peng (李鹏)
Title: Director

THE FOUNDER:

/s/ LI Peng
Name: LI Peng (李鹏)

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

K2 EVERGREEN PARTNERS LIMITED

By: /s/ Zhang Rui
Name: Zhang Rui
Title: Director

K2 FAMILY PARTNERS LIMITED

By: /s/ Zhang Rui
Name: Zhang Rui
Title: Director

K2 PARTNERS III LIMITED

By: /s/ Zhang Rui
Name: Zhang Rui
Title: Director

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

DCM Ventures China Fund (DCM VIII), L.P.
DCM VIII, L.P.
DCM Affiliates Fund VIII, L.P.

By: DCM Investment Management VIII, L.P.
its General Partner

By: DCM International VIII, Ltd.
its General Partner

By: /s/ Matthew C. Bonner
Name: Matthew C. Bonner
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

GGV Discovery I, L.P.
By: GGV Discovery I L.L.C., its General Partner

By: /s/ Terence JEN
Name: Terence JEN
Title: Attorney in Fact

GGV Capital VI Entrepreneurs Fund L.P.
By: GGV Capital VI Entrepreneurs Fund L.L.C., its General Partner

By: /s/ Terence JEN
Name: Terence JEN
Title: Attorney in Fact

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Prospect Avenue Capital Inc.

By: /s/ LIAO Ming
Name: LIAO Ming
Title: Director

Prospect Avenue Capital Limited Partnership
By: Prospect Avenue Capital Inc., its General Partner

By: /s/ LIAO Ming
Name: LIAO Ming
Title: Authorized Signatory

Foley Square Investment Limited

By: /s/ LIAO Ming
Name: LIAO Ming
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

QIMING VENTURE PARTNERS VI, L.P. a Cayman Islands exempted limited partnership

By: QIMING GP VI, L.P. a Cayman Islands exempted limited partnership
Its: General Partner

By: QIMING CORPORATE GP VI, LTD. a Cayman Islands exempted company
Its: General Partner

By: /s/ Ryan Kendall Baker
Name: Ryan Kendall Baker
Title: Authorized Signatory

QIMING MANAGING DIRECTORS FUND VI, L.P. a Cayman Islands exempted limited partnership

By: QIMING CORPORATE GP VI, LTD., a Cayman Islands exempted company
Its: General Partner

By: /s/ Ryan Kendall Baker
Name: Ryan Kendall Baker
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

VM EDU Fund I, L.P.

By: /s/ Yu Cui
Name: Yu Cui
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Lingfeng Capital Partners Fund I, LP

By: /s/ Ning Ma
Name: Ning Ma
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

Talent Venture Investment Limited

By: /s/ Ju Zhang
Name: Ju Zhang
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE INVESTORS:

NEWBEEVC PTY.LTD.

By: /s/ Liangping Gao
Name: Liangping Gao
Title: Authorized Signatory

EXHIBIT A

List of the BVI Subsidiary and the HK Subsidiary

EXHIBIT B
List of the WFOE

EXHIBIT C
List of the PRC Affiliates

EXHIBIT D
Notices

EXHIBIT E

Competitors of the Company

Exhibit 5.1

Our ref VSL/785638-000001/25267539v2

QuantaSing Group Limited
Room 710, 5/F, Building No. 1,
Zone No. 1, Ronghe Road
Chaoyang District, Beijing 100102
People's Republic of China

20 December 2022

Dear Sirs

QuantaSing Group Limited

We have acted as Cayman Islands legal advisers to QuantaSing Group Limited (the "**Company**") in connection with the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed with the Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended to date relating to the offering by the Company of certain American depositary shares (the "**ADSs**") representing the Company's Class A ordinary shares of par value US$0.0001 each (the "**Shares**").

We are furnishing this opinion as Exhibits 5.1, 8.1 and 23.2 to the Registration Statement.

1 Documents Reviewed

For the purposes of this opinion, we have reviewed only originals, copies or final drafts of the following documents:

1.1 The certificate of incorporation of the Company dated 9 February 2022 issued by the Registrar of Companies in the Cayman Islands.

1.2 The amended and restated memorandum and articles of association of the Company as adopted by a special resolution passed on 31 May 2022 (the "**Pre-IPO Memorandum and Articles**").

1.3 The second amended and restated memorandum and articles of association of the Company as conditionally adopted by a special resolution passed on 20 December 2022 and effective immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares (the "**IPO Memorandum and Articles**").

1.4 The written resolutions of the board of directors of the Company dated 20 December 2022 (the "**Board Resolutions**").

1.5 The written resolutions of the shareholders of the Company dated 20 December 2022 (the **"Shareholders' Resolutions**").

1.6 A certificate from a director of the Company, a copy of which is attached hereto (the "**Director's Certificate**").

1.7 A certificate of good standing dated 12 December 2022, issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**").

1.8 The Registration Statement.

2 Assumptions

The following opinions are given only as to, and based on, circumstances and matters of fact existing and known to us on the date of this opinion letter. These opinions only relate to the laws of the Cayman Islands which are in force on the date of this opinion letter. In giving these opinions we have relied (without further verification) upon the completeness and accuracy, as of the date of this opinion letter, of the Director's Certificate and the Certificate of Good Standing. We have also relied upon the following assumptions, which we have not independently verified:

2.1 Copies of documents, conformed copies or drafts of documents provided to us are true and complete copies of, or in the final forms of, the originals.

2.2 All signatures, initials and seals are genuine.

2.3 There is nothing contained in the minute book or corporate records of the Company (which we have not inspected) which would or might affect the opinions set out below.

2.4 There is nothing under any law (other than the law of the Cayman Islands), which would or might affect the opinions set out below.

3 Opinion

Based upon the foregoing and subject to the qualifications set out below and having regard to such legal considerations as we deem relevant, we are of the opinion that:

3.1 The Company has been duly incorporated as an exempted company with limited liability and is validly existing and in good standing with the Registrar of Companies under the laws of the Cayman Islands.

3.2 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US$70,000 divided into 700,000,000 shares of a par value of US$0.0001 each, comprising (i) 430,000,000 Class A Ordinary Shares of a par value of US$0.0001 each, (ii) 70,000,000 Class B Ordinary Shares of a par value of US$0.0001 each, and (iii) 200,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with the IPO Memorandum and Articles.

3.3 The issue and allotment of the Shares have been duly authorised and when allotted, issued and paid for as contemplated in the Registration Statement, the Shares will be legally issued and allotted, fully paid and non-assessable. As a matter of Cayman Islands law, a share is only issued when it has been entered in the register of members (shareholders).

3.4 The statements under the caption "Taxation" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects and that such statements constitute our opinion.

4 Qualifications

In this opinion the phrase “non-assessable” means, with respect to shares in the Company, that a shareholder shall not, solely by virtue of its status as a shareholder and in absence of a contractual arrangement, or an obligation pursuant to the memorandum and articles of association, to the contrary, be liable for additional assessments or calls on the shares by the Company or its creditors (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Except as specifically stated herein, we make no comment with respect to any representations and warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions, which are the subject of this opinion.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our name under the headings “Enforceability of Civil Liabilities”, “Taxation” and “Legal Matters” and elsewhere in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the Rules and Regulations of the Commission thereunder.

Yours faithfully

/s/ Maples and Calder (Hong Kong) LLP

Director's Certificate

December 20 2022

To: Maples and Calder (Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai, Hong Kong

Dear Sirs

QuantaSing Group Limited (the "Company")

I, the undersigned, being a director of the Company, am aware that you are being asked to provide a legal opinion (the "Opinion") in relation to certain aspects of Cayman Islands law. Capitalised terms used in this certificate have the meaning given to them in the Opinion. I hereby certify that:

1 The Pre-IPO Memorandum and Articles remain in full and effect and, except as amended by the resolutions as set out in the Shareholders' Resolutions adopting the IPO Memorandum and Articles, are otherwise unamended.

2 The Board Resolutions were duly passed in the manner prescribed in the Pre-IPO Memorandum and Articles (including, without limitation, with respect to the disclosure of interests (if any) by directors of the Company) and have not been amended, varied or revoked in any respect.

3 The Shareholders' Resolutions were duly passed in the manner prescribed in the Pre-IPO Memorandum and Articles (including, without limitation, with respect to the disclosure of interests (if any) by directors of the Company) and have not been amended, varied or revoked in any respect.

4 The authorised share capital of the Company is US$70,000 consisting of 700,000,000 shares of a nominal or par value of US$0.0001 each, of which (i) 545,113,731 are designated as class A ordinary shares of a nominal or par value of US$0.0001 each, (ii) 54,042,638 are designated as class B ordinary shares of a nominal or par value of US$0.0001 each, (iii) 22,000,000 are designated as series A preferred shares of a nominal or par value of US$0.0001 each, (iv) 23,983,789 are designated as series B preferred shares of a nominal or par value of US$0.0001 each, (v) 7,913,872 are designated as series B-1 preferred shares of a nominal or par value of US$0.0001 each, (vi) 20,327,789 are designated as series C preferred shares of a nominal or par value of US$0.0001 each, (vii) 11,818,754 are designated as series D preferred shares of a nominal or par value of US$0.0001 each, and (viii) 14,799,427 are designated as series E preferred shares of a nominal or par value of US$0.0001 each.

5 The authorised share capital of the Company, with effect immediately prior to the completion of the Company's initial public offering of the ADSs representing the Shares, will be US$70,000 divided into 700,000,000 shares of a par value of US$0.0001 each, comprising (i) 430,000,000 Class A Ordinary Shares of a par value of US$0.0001 each, (ii) 70,000,000 Class B Ordinary Shares of a par value of US$0.0001 each, and (iii) 200,000,000 shares of a par value of US$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with the IPO Memorandum and Articles.

6 The shareholders of the Company have not restricted or limited the powers of the directors in any way and there is no contractual or other prohibition (other than as arising under Cayman Islands law) binding on the Company prohibiting it from issuing and allotting the Shares or otherwise performing its obligations under the Registration Statement.

7 The directors of the Company at the date of the Board Resolutions and at the date of this certificate were and are as follows:

Peng Li
Jinshan Li
Frank Lin
Yu Cui
Dong Xie
Xihao Liu

8 Each director of the Company considers the transactions contemplated by the Registration Statement to be of commercial benefit to the Company and has acted bona fide in the best interests of the Company, and for a proper purpose of the Company in relation to the transactions which are the subject of the Opinion.

9 To the best of my knowledge and belief, having made due inquiry, the Company is not the subject of legal, arbitral, administrative or other proceedings in any jurisdiction that would have a material adverse effect on the business, properties, financial condition, results of operations or prospects of the Company. Nor have the directors or shareholders taken any steps to have the Company struck off or placed in liquidation, nor have any steps been taken to wind up the Company. Nor has any receiver been appointed over any of the Company's property or assets.

10 Upon the completion of the Company's initial public offering of the ADSs representing the Shares, the Company will not be subject to the requirements of Part XVIIA of the Companies Act (As Revised) of the Cayman Islands.

I confirm that you may continue to rely on this Certificate as being true and correct on the day that you issue the Opinion unless I shall have previously notified you personally to the contrary.

[signature page follows]

Signature: /s/ Peng Li
Name: Peng Li
Title: Director

QUANTASING GROUP LIMITED SHARE INCENTIVE PLAN

PREFACE

This Plan is divided into two separate equity programs: (1) the option and share appreciation rights grant program set forth in Section 5 under which Eligible Persons (as defined in Section 3) may, at the discretion of the Administrator, be granted Options and/or SARs, and (2) the share award program set forth in Section 6 under which Eligible Persons may, at the discretion of the Administrator, be awarded restricted or unrestricted Ordinary Shares. Section 2 of this Plan contains the general rules regarding the administration of this Plan. Section 3 sets forth the requirements for eligibility to receive an Award grant under this Plan. Section 4 describes the authorized shares of the Company that may be subject to Awards granted under this Plan. Section 7 contains other provisions applicable to all Awards granted under this Plan. Section 8 provides definitions for certain capitalized terms used in this Plan and not otherwise defined herein.

1. PURPOSE OF THE PLAN.

The purpose of this Plan is to promote the success of the Company and the interests of its shareholders by providing a means through which the Company may grant equity-based incentives to attract, motivate, retain and reward certain officers, employees, directors and other eligible persons and to further link the interests of Award recipients with those of the Company's shareholders generally.

2. ADMINISTRATION.

2.1 ***Administrator***. This Plan shall be administered by and all Awards under this Plan shall be authorized by the Administrator. The "**Administrator**" means the Board or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of this Plan. Any such committee shall be comprised solely of one or more directors or such number of directors as may be required under applicable law. A committee may delegate some or all of its authority to another committee so constituted. The Board or a committee comprised solely of directors may also delegate, to the extent permitted by the Companies Law, Cap 22 (as consolidated and revised) of the Cayman Islands and any other applicable law, to one or more officers of the Company, its powers under this Plan (a) to designate the officers and employees of the Company and its Affiliates who will receive grants of Awards under this Plan, and (b) to determine the number of shares subject to, and the other terms and conditions of, such Awards. The Board may delegate different levels of authority to different committees with administrative and grant authority under this Plan. Unless otherwise provided in the Shareholders Agreement, the Memorandum and Articles of Association of the Company or the applicable charter of any Administrator, a majority of the members of the acting Administrator shall constitute a quorum, and the vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the members of the Administrator shall constitute action by the acting Administrator.

2.2 ***Plan Awards; Interpretation; Powers of Administrator***. Subject to the express provisions of this Plan, the Administrator is authorized and empowered to do all things necessary or desirable in connection with the authorization of Awards and the administration of this Plan (in the case of a committee or delegation to one or more officers, within the authority delegated to that committee or person(s)), including, without limitation, the authority to:

(a) determine eligibility and, from among those persons determined to be eligible, the particular Eligible Persons who will receive Awards;

(b) grant Awards to Eligible Persons, determine the price and number of securities to be offered or awarded to any of such persons, determine the other specific terms and conditions of Awards consistent with the express limits of this Plan, establish the installments (if any) in which such Awards will become exercisable or will vest (which may include, without limitation, performance and/or time-based schedules) or determine that no delayed exercisability or vesting is required, establish any applicable performance targets, and establish the events of termination or reversion of such Awards;

(c) approve the forms of Award Agreements, which need not be identical either as to type of Award or among Participants;

(d) construe and interpret this Plan and any Award Agreement or other agreements defining the rights and obligations of the Company, its Affiliates, and Participants under this Plan, make factual determinations with respect to the administration of this Plan, further define the terms used in this Plan, and prescribe, amend and rescind rules and regulations relating to the administration of this Plan or the Awards;

(e) cancel, modify, or waive the Company's rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding Awards, subject to any required consent under Section 7.7.4;

(f) accelerate or extend the vesting or exercisability or extend the term of any or all outstanding Awards (within the maximum ten-year term of Awards under Sections 5.4.2 and 6.5) in such circumstances as the Administrator may deem appropriate (including, without limitation, in connection with a termination of employment or services or other events of a personal nature);

(g) determine Fair Market Value for purposes of this Plan and Awards;

(h) determine the duration and purposes of leaves of absence that may be granted to Participants without constituting a termination of their employment for purposes of this Plan;

(i) determine whether, and the extent to which, adjustments are required pursuant to Section 7.3 hereof and authorize the termination, conversion, substitution or succession of awards upon the occurrence of an event of the type described in Section 7.3; and

(j) implement any procedures, steps, additional or different requirements as may be necessary to comply with any laws of the People's Republic of China (the "**PRC**") that may be applicable to this Plan, any Award or any related documents, including but not limited to foreign exchange laws, tax laws and securities laws of the PRC.

2.3 ***Binding Determinations***. Any action taken by, or inaction of, the Company, any Affiliate, the Board or the Administrator relating or pursuant to this Plan and within its authority hereunder or under applicable law shall be within the absolute discretion of that entity or body and shall be conclusive and binding upon all persons. Neither the Board nor the Administrator, nor any member thereof or person acting at the direction thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any Award), and all such persons shall be entitled to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage that may be in effect from time to time.

2.4 ***Reliance on Experts***. In making any determination or in taking or not taking any action under this Plan, the Administrator may obtain and may rely upon the advice of experts, including employees of and professional advisors to the Company. No director, officer or agent of the Company or any of its Affiliates shall be liable for any such action or determination taken or made or omitted in good faith.

2.5 ***Delegation***. The Administrator may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Company or any of its Affiliates or to third parties.

3. ELIGIBILITY.

Awards may be granted under this Plan only to those persons that the Administrator determines to be Eligible Persons. An "**Eligible Person**" means any person who qualifies as one of the followings at the time of grant of the respective Award:

(a) an officer (whether or not a director) or employee of the Company or any of its Affiliates;

(b) any member of the Board; or

(c) any director of one of the Company's Affiliates, or any individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of the Company or one of its Affiliates, as applicable, in a capital raising transaction or as a market maker or promoter of that entity's securities) to the Company or one of its Affiliates.

An advisor or consultant may be selected as an Eligible Person pursuant to clause (c) above only if such person's participation in this Plan would not adversely affect the Company's compliance with any applicable laws.

An Eligible Person may, but need not, be granted one or more Awards pursuant to Section 5 and/or one or more Awards pursuant to Section 6. An Eligible Person who has been granted an Award under this Plan may, if otherwise eligible, be granted additional Awards under this Plan if the Administrator so determines. However, a person's status as an Eligible Person is not a commitment that any Award will be granted to that person under this Plan.

Furthermore, an Eligible Person who has been granted an Award under Section 5 is not necessarily entitled to an Award under Section 6, or vice versa, unless otherwise expressly determined by the Administrator.

Each Award granted under this Plan must be approved by the Administrator at or prior to the grant of the Award.

4. SHARES SUBJECT TO THE PLAN.

4.1 ***Shares Available***. Subject to the provisions of Section 7.3.1, the shares that may be delivered under this Plan will be the Company's authorized but unissued Ordinary Shares (and any of its Ordinary Shares held as treasury shares). The Ordinary Shares issued and delivered may be issued and delivered for any lawful consideration.

4.2 ***Share Limit***. Subject to the provisions of Section 7.3.1 and further subject to the share counting rules of Section 4.3, the maximum number of Ordinary Shares that may be delivered pursuant to Awards granted under this Plan will not exceed 21,717,118 shares (the "**Share Limit**") in the aggregate.

4.3 ***Replenishment and Reissue of Unvested Awards***. No Award may be granted under this Plan unless, on the date of grant, the sum of (a) the maximum number of Ordinary Shares issuable at any time pursuant to such Award, plus (b) the number of Ordinary Shares that have previously been issued pursuant to Awards granted under this Plan, plus (c) the maximum number of Ordinary Shares that may be issued at any time after such date of grant pursuant to Awards that are outstanding on such date, does not exceed the Share Limit. Ordinary Shares that are subject to or underlie Options or SARs granted under this Plan that expire or for any reason are canceled or terminated without having been exercised (Ordinary Shares subject to or underlying the unexercised portion of such Options or SARs in the case of Options or SARs that were partially exercised), as well as Ordinary Shares that are subject to Share Awards made under this Plan that are forfeited to the Company or otherwise repurchased by the Company prior to the vesting of such shares will again, except to the extent prohibited by law or applicable listing or regulatory requirements, be available for subsequent Award grants under this Plan. Shares that are exchanged by a Participant or withheld by the Company as full or partial payment in connection with any Award under this Plan, as well as any shares exchanged by a Participant or withheld by the Company or one of its Affiliates to satisfy the tax withholding obligations related to any Award, shall be available for subsequent Awards under this Plan. In the case of an exercise of a SAR, only the number of shares actually issued in respect of such exercise shall be charged against this Plan's Share Limit. Adjustments to the Share Limit pursuant to this Section 4.3 are subject to any applicable limitations of the Code in the case of Awards intended to be Incentive Stock Options.

4.4 ***Reservation of Shares***. The Company shall at all times reserve a number of Ordinary Shares sufficient to cover the Company's obligations and contingent obligations to deliver shares with respect to Awards then outstanding under this Plan.

5. OPTION AND SAR GRANT PROGRAM.

5.1 ***Option and SAR Grants in General***. Each Option or SAR shall be evidenced by an Award Agreement in the form approved by the Administrator. The Award Agreement evidencing an Option or SAR shall contain the terms established by the Administrator for that Award, as well as any other terms, provisions, or restrictions that the Administrator may impose on the Option or SAR or any Ordinary Shares subject to the Option or SAR; in each case subject to the applicable provisions and limitations of this Section 5 and the other applicable provisions and limitations of this Plan. The Administrator may require that the recipient of an Option or SAR promptly execute and return to the Company his or her Award Agreement evidencing the Award. In addition, the Administrator may require that the spouse of any married recipient of an Option or SAR also promptly execute and return to the Company the Award Agreement evidencing the Award granted to the recipient or such other spousal consent form that the Administrator may require in connection with the grant of the Award.

5.2 ***Incentive Stock Option Status***. The Administrator will designate each Option granted under this Plan to a U.S. resident as either an Incentive Stock Option or a Nonqualified Option, and such designation shall be set forth in the applicable Award Agreement. Any Option granted under this Plan to a U.S. resident that is not expressly designated in the applicable Award Agreement as an Incentive Stock Option will be deemed to be designated a Nonqualified Option under this Plan and not an "incentive stock option" within the meaning of Section 422 of the Code. Incentive Stock Options shall be subject to the provisions of Section 5.5 in addition to the provisions of this Plan applicable to Options generally. The Administrator may designate any Option granted under this Plan to a non-U.S. resident in accordance with the rules and regulations applicable to options in the jurisdiction in which such person is a resident.

5.3 ***Option or SAR Price***.

5.3.1 Option Pricing Limits. Subject to the following provisions of this Section 5.3.1, the Administrator will determine the purchase price per share of the Ordinary Shares covered by each Option (the "exercise price" of the Option) at the time of the grant of the Option, which exercise price will be set forth in the applicable Award Agreement. Unless approved the Board, the exercise price of an Option will be either of the following, which may be determined at the sole discretion of the Administrator:

(a) the par value of an Ordinary Share;

(b) in the case of an Incentive Stock Option and subject to clause (c) below, certain discount of the Fair Market Value of an Ordinary Share on the date of grant which shall be set forth in the Award Agreement; or

(c) in the case of an Incentive Stock Option granted to a Participant described in Section 5.5.4, certain increase of the Fair Market Value of an Ordinary Share on the date of grant which shall be set forth in the Award Agreement;

(d) other prices as determined by the Administrator.

5.3.2 Payment Provisions. The Company will not be obligated to deliver certificates for the Ordinary Shares to be purchased upon the exercise of an Option unless and until it receives full payment of the exercise price therefor, all related withholding obligations under Section 7.6 have been satisfied, and all other conditions to the exercise of the Option set forth herein or in the Award Agreement have been satisfied. The purchase price of any Ordinary Shares purchased upon the exercise of an Option must be paid in full at the time of each purchase in such lawful consideration as may be permitted or required by the Administrator, which may include, without limitation, one or a combination of the following methods:

(a) cash, check payable to the order of the Company, or electronic funds transfer;

(b) notice and third party payment in such manner as may be authorized by the Administrator;

(c) the delivery of previously owned Ordinary Shares;

(d) by a reduction in the number of Ordinary Shares otherwise deliverable pursuant to the Award;

(e) subject to such procedures as the Administrator may adopt, pursuant to a "cashless exercise"; or

(f) if authorized by the Administrator or specified in the applicable Award Agreement, by a promissory note of the Participant consistent with the requirements of Section 5.3.3.

In no event shall any shares newly-issued by the Company be issued for less than the minimum lawful consideration for such shares or for consideration other than consideration permitted by applicable law. Ordinary Shares used to satisfy the exercise price of an Option (whether previously-owned shares or shares otherwise deliverable pursuant to the terms of the Option) shall be valued at their Fair Market Value on the date of exercise. Unless otherwise expressly provided in the applicable Award Agreement, the Administrator may eliminate or limit a Participant's ability to pay the purchase or exercise price of any Award by any method other than cash payment to the Company. The Administrator may take all actions necessary to alter the method of Option exercise and the exchange and transmittal of proceeds with respect to Participants resident in the PRC not having permanent residence in a country other than the PRC in order to comply with applicable PRC foreign exchange and tax regulations and any other applicable PRC laws and regulations.

5.3.3 Acceptance of Notes to Finance Exercise. The Company may, with the Administrator's approval in each specific case, accept one or more promissory notes from any Eligible Person in connection with the exercise of any Option; provided that any such note shall be subject to the following terms and conditions:

(a) The principal of the note shall not exceed the amount required to be paid to the Company upon the exercise, purchase or acquisition of one or more Awards under this Plan and the note shall be delivered directly to the Company in consideration of such exercise, purchase or acquisition.

(b) The initial term of the note shall be determined by the Administrator; provided that the term of the note, including extensions, shall not exceed a period of five years.

(c) The note shall provide for full recourse to the Participant and shall bear interest at a rate determined by the Administrator, but not less than the interest rate necessary to avoid the imputation of interest under the Code or other applicable tax law, rules or regulations, and to avoid any adverse accounting consequences in connection with the exercise, purchase or acquisition.

(d) If the employment or services of the Participant by or to the Company and its Affiliates terminates, the unpaid principal balance of the note shall become due and payable on the 30th business day after such termination; provided, however, that if a sale of the shares acquired on exercise of the Option would cause such Participant to incur liability under Section 16(b) of the Exchange Act, the unpaid balance shall become due and payable on the 10th business day after the first day on which a sale of such shares could have been made without incurring such liability assuming for these purposes that there are no other transactions (or deemed transactions) in securities of the Company by the Participant subsequent to such termination.

(e) If required by the Administrator or by applicable law, the note shall be secured by a pledge of any shares or rights financed thereby or other collateral, in compliance with applicable law.

The terms, repayment provisions, and collateral release provisions of the note and the pledge securing the note shall conform with all applicable rules and regulations, including those of the Federal Reserve Board of the United States and any applicable law, as then in effect.

5.3.4 Base Price of SARs. The Administrator will determine the base price per share of the Ordinary Shares covered by each SAR at the time of the grant of the SAR, which base price will be set forth in the applicable Award Agreement.

5.4 ***Vesting; Term; Exercise Procedure***.

5.4.1 Vesting. Except as provided in Section 5.8, an Option or SAR may be exercised only to the extent that it is vested and exercisable. The Administrator will determine the vesting and/or exercisability provisions of each Option or SAR (which may be based on performance criteria, passage of time or other factors or any combination thereof), which provisions will be set forth in the applicable Award Agreement. Unless the Administrator otherwise expressly provides, once exercisable an Option or SAR will remain exercisable until the expiration or earlier termination of the Option or SAR.

5.4.2 Term. Each Option and SAR shall expire not more than 10 years after its date of grant. Each Option and SAR will be subject to earlier termination as provided in or pursuant to Sections 5.6 and 7.3 or the terms of the applicable Award Agreement.

5.4.3 Exercise Procedure. Subject to applicable provisions under this Plan, any exercisable Option or SAR will be deemed to be exercised when (a) the applicable exercise procedures in the related Award Agreement have been satisfied (or, in the absence of any such procedures in the related Award Agreement, the Company has received written notice of such exercise from the Participant), and (b) in the case of an Option, the Company has received any required payment made in accordance with Section 5.3 and Section 7.6, and (c) in the case of an Option or SAR, the Company has received any written statement required pursuant to Section 7.5.1.

5.4.4 Fractional Shares/Minimum Issue. Fractional share interests will be disregarded, while may be accumulated. The Administrator, however, may determine that cash, other securities, or other property will be paid or transferred in lieu of any fractional share interests. No Option or SAR may be exercised as to fewer than 100 shares (subject to adjustment pursuant to Section 7.3.1) at one time unless the number as to which the Award is exercised is the total number at the time then subject to the vested and exercisable portion of the Award.

5.5 ***Limitations on Grant and Terms of Incentive Stock Options***.

5.5.1 US$100,000 Limit. To the extent that the aggregate Fair Market Value of shares with respect to which incentive stock options (within the meaning of Section 422 of the Code) first become exercisable by a Participant in any calendar year exceeds US$100,000, taking into account both Ordinary Shares subject to Incentive Stock Options under this Plan and shares subject to incentive stock options under all other plans of the Company or any of its Affiliates, such options will be treated as Nonqualified Options. For this purpose, the Fair Market Value of the shares subject to options will be determined as of the date the options were awarded. In reducing the number of options treated as incentive stock options to meet the US$100,000 limit, the most recently granted options will be reduced (re-characterized as Nonqualified Options) first. To the extent a reduction of simultaneously granted options is necessary to meet the US$100,000 limit, the Administrator may, in the manner and to the extent permitted by law, designate which Ordinary Shares are to be treated as shares acquired pursuant to the exercise of an incentive stock option.

5.5.2 Other Code Limits. Incentive Stock Options may only be granted to individuals that are employees, advisors or consultants of the Company or one of its Affiliates and satisfy the other eligibility requirements of the Code. Any Award Agreement relating to Incentive Stock Options will contain or shall be deemed to contain such other terms and conditions as from time to time are required in order that the Option be an "incentive stock option" as that term is defined in Section 422 of the Code.

5.5.3 ISO Notice of Sale Requirement. Any Participant who exercises an Incentive Stock Option shall give prompt written notice to the Company of any sale or other transfer of the Ordinary Shares acquired on such exercise if the sale or other transfer occurs within (a) two year after the exercise date of the Option, or (b) four years after the grant date of the Option.

5.5.4 Limits on 10% Holders. Unless otherwise approved by the Administrator, no Incentive Stock Option may be granted to any person who, at the time the Incentive Stock Option is granted, owns (or is deemed to own under Section 424(d) of the Code) outstanding shares of the Company (or any of its Affiliates) possessing more than 10% of the total combined voting power of all classes of shares of the Company (or any of its Affiliates), unless the exercise price of such Incentive Stock Option is at least 110% of the Fair Market Value of the shares subject to the Incentive Stock Option and the Incentive Stock Option by its terms is not exercisable more than five years after the date the Incentive Stock Option is granted.

5.6 ***Effects of Termination of Employment on Options and SARs***.

5.6.1 Termination for Death, Disability or Retirement. Unless otherwise provided in the applicable Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 5.4.2 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates as a result of the Participant's death, Total Disability or retirement: (x) in respect of the Option or SAR (or portion thereof) that is vested and/or exercisable on the Severance Date, the Participant (or his or her Personal Representative or Beneficiary, in the case of the Participant's Total Disability or death, respectively), will have until the date that is two (2) months after the Participant's Severance Date to exercise the Participant's Option or SAR (or portion thereof), and (y) in respect of the Option or SAR (or portion thereof) that is not vested and/or exercisable on the Severance Date, such Option or SAR (or portion thereof) shall terminate on the Severance Date at nil consideration. For the avoidance of doubt, the Option or SAR, to the extent exercisable for the 2-month period following the Participant's Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 2-month period. Notwithstanding anything to the contrary and subject to applicable law, the Company shall be entitled (but not an obligation) to reacquire the Participant's vested and/or exercised Option or SAR at a price of 50% of the Fair Market Value as of the latest practicable date prior to the Severance Date within 6 months from the Participant's Severance Date.

5.6.2 Dismissal for Cause. Unless otherwise provided in the applicable Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 5.4.2 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates for Cause, the Participant's Option or SAR, whether such Option or SAR are then vested and/or exercisable or not, shall terminate on the Participant's Severance Date, and the Company shall have the right (but not an obligation) to repurchase all the shares and/or equities acquired by the Participant as a result of the vesting or exercise of Participant's Option or SAR at a purchase price equals to the exercise price the Participant paid to the Company.

5.6.3 Other Terminations of Employment. Unless otherwise provided in the applicable Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 5.4.2 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates for any reason other than a termination by such entity because of the Participant's death, Total Disability, retirement or Cause, (x) the Participant will have until the date that is two (2) months after the Participant's Severance Date to exercise his or her Option or SAR (or portion thereof) to the extent that it was vested and exercisable on the Severance Date, and (y) the Participant's Option or SAR shall terminate on the Participant's Severance Date to the extent that it was not vested or exercisable on the Severance Date. For the avoidance of doubt, the Option or SAR, to the extent exercisable for the 2-month period following the Participant's Severance Date and not exercised during such period, shall terminate at the close of business on the last day of the 2-month period. Notwithstanding anything to the contrary and subject to applicable law, the Company shall be entitled (but not an obligation) to reacquire the Participant's vested and/or exercised Option or SAR at a price of 30% of the Fair Market Value as of the latest practicable date prior to the Severance Date within six (6) months from the Participant's Severance Date.

5.7 ***Option and SAR Repricing/Cancellation and Regrant/Waiver of Restrictions***. Subject to Section 4 and Section 7.7 and the specific limitations on Options and SARs contained in this Plan, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any Eligible Person, any adjustment in the exercise or base price, the vesting schedule, the number of shares subject to, or the term of, an Option or SAR granted under this Plan by cancellation of an outstanding Option or SAR and a subsequent regranting of the Option or SAR, by amendment, by substitution of an outstanding Option or SAR, by waiver or by other legally valid means. Such amendment or other action may result in, among other changes, an exercise or base price that is higher or lower than the exercise or base price of the original or prior Option or SAR, provide for a greater or lesser number of Ordinary Shares subject to the Option or SAR, or provide for a longer or shorter vesting or exercise period.

5.8 ***Early Exercise Options and SARs***. The Administrator may, in its discretion, designate any Option or SAR as an "early exercise Option" or "early exercise SAR" which, by express provision in the applicable Award Agreement, may be exercised prior to the date such Option or SAR has vested. If the Participant elects to exercise all or a portion of an early exercise Option or SAR before it is vested, the Ordinary Shares acquired under the Option or SAR which are attributable to the unvested portion of the Option or SAR shall be Restricted Shares. The applicable Award Agreement will specify the extent (if any) to which and the time (if ever) at which the Participant will be entitled to dividends, voting and other rights in respect of such Restricted Shares prior to vesting, and the restrictions imposed on such shares and the conditions of release or lapse of such restrictions. Unless otherwise expressly provided in the applicable Award Agreement, such Restricted Shares shall be subject to the provisions of Sections 6.6 through 6.9 below.

6. SHARE AWARD PROGRAM.

6.1 ***Share Awards in General***. Each Share Award shall be evidenced by an Award Agreement in the form and substance approved by the Administrator. The Award Agreement evidencing a Share Award shall contain the terms established by the Administrator for that Share Award, as well as any other terms, provisions, or restrictions that the Administrator may impose on the Share Award; in each case subject to the applicable provisions and limitations of this Section 6 and the other applicable provisions and limitations of this Plan. The Administrator may require that the recipient of a Share Award promptly execute and return to the Company his or her Award Agreement evidencing the Share Award. In addition, the Administrator may require that the spouse of any married recipient of a Share Award also promptly execute and return to the Company the Award Agreement evidencing the Share Award granted to the recipient or such other spousal consent form that the Administrator may require in connection with the grant of the Share Award.

6.2 ***Types of Share Awards***. The Administrator shall designate whether a Share Award shall be a Restricted Share Award, and such designation shall be set forth in the applicable Award Agreement.

6.3 ***Purchase Price***.

6.3.1 Pricing Limits. Subject to the following provisions of this Section 6.3, the Administrator will determine the purchase price per share of the Ordinary Shares covered by each Share Award at the time of grant of the Award. In no case will such purchase price be less than the par value of the Ordinary Shares.

6.3.2 Payment Provisions. The Company will not be obligated to record in the Company's register of members, or issue certificates evidencing, Ordinary Shares awarded under this Section 6 unless and until it receives full payment of the purchase price therefor and all other conditions to the purchase, as determined by the Administrator, have been satisfied, at which point the relevant shares shall be issued and noted in the Company's register of members. The purchase price of any shares subject to a Share Award must be paid in full at the time of the purchase in such lawful consideration as may be permitted or required by the Administrator, which may include, without limitation, one or a combination of the methods set forth in clauses (a) through (f) in Section 5.3.2 and/or past services rendered to the Company or any of its Affiliates.

6.4 ***Vesting***. The restrictions imposed on the Ordinary Shares subject to a Restricted Share Award (which may be based on performance criteria, passage of time or other factors or any combination thereof) will be set forth in the applicable Award Agreement.

6.5 ***Term***. A Share Award shall either vest or be forfeited not more than 10 years after the date of grant. Each Share Award will be subject to earlier termination as provided in or pursuant to Sections 6.8 and 7.3. Any payment of cash or delivery of shares in payment for a Share Award may be delayed until a future date if specifically authorized by the Administrator in writing and by the Participant. Payment of Awards may be in the form of cash, Ordinary Shares, other Awards or combinations thereof as the Administrator shall determine, and with such restrictions as it may impose. The Administrator may also require or permit Participants to elect to defer the issuance of shares or the settlement of Awards in cash under such rules and procedures as it may establish under this Plan. The Administrator may also provide that deferred settlements include the payment or crediting of interest or other earnings on the deferral amounts, or the payment or crediting of dividend equivalents where the deferred amounts are denominated in shares.

6.6 ***Share Certificates; Fractional Shares***. Share certificates evidencing Restricted Shares will bear a legend making appropriate reference to the restrictions imposed hereunder and will be held by the Company or by a third party designated by the Administrator until the restrictions on such shares have lapsed, the shares have vested in accordance with the provisions of the Award Agreement and Section 6.4, and any related loan has been repaid. Fractional share interests will be disregarded, while may be accumulated. The Administrator, however, may determine that cash, other securities, or other property will be paid or transferred in lieu of any fractional share interests.

6.7 ***Dividend and Voting Rights***. Unless otherwise provided in the applicable Award Agreement, a Participant holding Restricted Shares will be entitled to cash dividend for all Restricted Shares issued even though they are not vested, but such rights will terminate immediately as to any Restricted Shares which cease to be eligible for vesting or are repurchased by the Company. Notwithstanding anything to the contrary, prior to the Public Offering Date, voting rights attached on the Restricted Shares held by Participant(s), even though they are not vested, shall irrevocably be entrusted to LI Peng (李鹏) or other entity designated by LI Peng (李鹏).

6.8 ***Termination of Employment; Return to the Company***.

6.8.1 Termination for Reasons other than Cause. Unless otherwise provided in the applicable Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 6.5 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates as a result of the Participant's death, Total Disability, retirement or otherwise without a Cause: (x) in respect of the Restricted Shares that are vested and are not subject to any lock-up restriction on the Severance Date, Company shall be entitled (but not the obligation) to, within six (6) months after the Severance Date, repurchase such Restricted Shares from the Participant (or his or her Personal Representative or Beneficiary, in the case of the Participant's Total Disability or death, respectively) at the price of 50% of the Fair Market Value as of the latest practicable date prior to the Severance Date, (y) in respect of the Restricted Shares that are vested but are subject to lock-up restriction on the Severance Date, the Company shall be entitled (but not the obligation) to, within six (6) months after the Severance Date, repurchase such Restricted Shares from the Participant (or his or her Personal Representative or Beneficiary, in the case of the Participant's Total Disability or death, respectively) at a price equal to 30% of the Fair Market Value as of the latest practicable date prior to the Severance Date, and (z) in respect of the Restricted Shares that are not vested on the Severance Date, such Restricted Shares shall be forfeited to and reacquired by the Company in such manner and on such terms as the Administrator provides at the original purchase price of the Restricted Shares (without interest).

6.8.2 Dismissal for Cause. Unless otherwise provided in the applicable Award Agreement (consistent with applicable securities laws) and subject to earlier termination pursuant to or as contemplated by Section 6.5 or 7.3, if a Participant's employment by or service to the Company or any of its Affiliates terminates for Cause, the Participant's Restricted Shares shall be forfeited to and reacquired by the Company in such manner and on such terms as the Administrator provides at the original purchase price of the Restricted Shares (without interest), whether or not the Restricted Shares are then vested.

6.9 ***Waiver of Restrictions***. Subject to Sections 4 and 7.7 and the specific limitations on Share Awards contained in this Plan, the Administrator from time to time may authorize, generally or in specific cases only, for the benefit of any Eligible Person, any adjustment in the vesting schedule, or the restrictions upon or the term of, a Share Award granted under this Plan by amendment, by substitution of an outstanding Share Award, by waiver or by other legally valid means.

7. PROVISIONS APPLICABLE TO ALL AWARDS.

7.1 ***Rights of Eligible Persons, Participants and Beneficiaries***.

7.1.1 Employment Status. No Person shall have any claim or rights to be granted an Award (or additional Awards, as the case may be) under this Plan, subject to any express contractual rights (set forth in a document other than this Plan) to the contrary.

7.1.2 No Employment/Service Contract. Nothing contained in this Plan (or in any other documents under this Plan or related to any Award) shall confer upon any Eligible Person or Participant any right to continue in the employ or other service of the Company or any of its Affiliates, constitute any contract or agreement of employment or other service or affect an employee's status as an employee at will, nor shall interfere in any way with the right of the Company or any Affiliate to change such person's compensation or other benefits, or to terminate his or her employment or other service, with or without cause at any time. Nothing in this Section 7.1.2, or in Section 7.3 or 7.15, however, is intended to adversely affect any express independent right of such person under a separate employment or service contract. An Award Agreement shall not constitute a contract of employment or service.

7.1.3 Plan Not Funded. Awards payable under this Plan will be payable in Ordinary Shares or from the general assets of the Company, and (except as to the share reservation provided in Section 4.4) no special or separate reserve, fund or deposit will be made to assure payment of such Awards. No Participant, Beneficiary or other person will have any right, title or interest in any fund or in any specific asset (including Ordinary Shares, except as expressly provided) of the Company or any of its Affiliates by reason of any Award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan will create, or be construed to create, a trust of any kind or a fiduciary relationship between the Company or any of its Affiliates and any Participant, Beneficiary or other person. To the extent that a Participant, Beneficiary or other person acquires a right to receive payment pursuant to any Award hereunder, such right will be no greater than the right of any unsecured general creditor of the Company.

7.1.4 Charter Documents. The Shareholders Agreement and the Memorandum and Articles of Association of the Company, as may lawfully be amended from time to time, may provide for additional restrictions and limitations with respect to the Ordinary Shares (including additional restrictions and limitations on the voting or transfer of Ordinary Shares) or priorities, rights and preferences as to securities and interests prior in rights to the Ordinary Shares. These restrictions and limitations are in addition to (and not in lieu of) those set forth in this Plan or any Award Agreement and are incorporated herein by this reference.

7.2 ***No Transferability; Limited Exception to Transfer Restrictions***.

7.2.1 Limit on Exercise and Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 7.2, by applicable law and by the Award Agreement, as the same may be amended:

(a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(b) Awards will be exercised only by the Participant; and

(c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Ordinary Shares, registered in the name of, the Participant.

Neither the Participant (nor any permitted transferee) may, directly or indirectly, offer, sell or transfer or dispose of (i) any of the Ordinary Shares acquired upon exercise of the Option or any interest therein prior to the second anniversary of the Public Offering Date, or such lesser period of time as the Administrator may permit, or (ii) any of the Restricted Shares or any interest therein during the period commencing on the date of grant of such Restricted Shares and ending the second anniversary of the Public Offering Date, or such lesser period of time as the Administrator may permit.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

7.2.2 Further Exceptions to Limits on Transfer. The exercise and transfer restrictions in Section 7.2.1 will not apply to:

(a) transfers to the Company;

(b) transfers by gift or domestic relations order to one or more "family members" (as that term is defined in SEC Rule 701 promulgated under the Securities Act) of the Participant, including transfers to a trust in which the Participant (or other family member) has more than 50% of the beneficial interest, a foundation in which the Participant (or other family member) controls the management of assets, or an entity in which the Participant (or other family member) owns more than 50% of the voting interest, so long as such transfer is expressly authorized by the Administrator and is in compliance with all applicable laws;

(c) the designation of a Beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's Beneficiary, or, in the absence of a validly designated Beneficiary, transfers by will or the laws of descent and distribution; or

(d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative.

Notwithstanding anything else in this Section 7.2.2 to the contrary, but subject to compliance with all applicable laws, Incentive Stock Options and Restricted Share Awards will be subject to any and all transfer restrictions under the Code applicable to such awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all applicable laws, any contemplated transfer by gift or domestic relations order to one or more family members of a Participant as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Administrator in order for it to be effective. The Administrator may, in its sole discretion, withhold its approval of any such proposed transfer.

7.3 ***Adjustments; Changes in Control***.

7.3.1 Adjustments. Subject to Section 7.3.2 below, upon (or, as may be necessary to effect the adjustment, immediately prior to) any reclassification, recapitalization, share split (including a share split in the form of a share dividend) or reverse share split; any merger, combination, consolidation, or other reorganization; any split-up, spin-off, or similar extraordinary dividend distribution in respect of the Ordinary Shares; or any exchange of Ordinary Shares or other securities of the Company, or any similar, unusual or extraordinary corporate transaction in respect of the Ordinary Shares; then the Administrator shall equitably and proportionately adjust (1) the number and type of shares of Ordinary Shares (or other securities) that thereafter may be made the subject of Awards (including the specific share limits, maximums and numbers of shares set forth elsewhere in this Plan), (2) the number, amount and type of Ordinary Shares (or other securities or property) subject to any outstanding Awards, (3) the grant, purchase, exercise or base price of any outstanding Awards, and/or (4) the securities, cash or other property deliverable upon exercise or vesting of any outstanding Awards, in each case to the extent necessary to preserve (but not increase) the level of incentives intended by this Plan and the then-outstanding Awards.

Unless otherwise expressly provided in the applicable Award Agreement, upon (or, as may be necessary to effect the adjustment, immediately prior to) any event or transaction described in the preceding paragraph or a sale of all or substantially all of the business or assets of the Company as an entirety, the Administrator shall equitably and proportionately adjust the performance standards applicable to any then-outstanding performance-based Awards to the extent necessary to preserve (but not increase) the level of incentives intended by this Plan and the then-outstanding performance-based Awards.

It is intended that, if possible, any adjustments contemplated by the preceding two paragraphs be made in a manner that satisfies applicable legal, tax (including, without limitation and as applicable in the circumstances, Section 424 of the Code and Section 409A of the Code) and accounting (so as to not trigger any charge to earnings with respect to such adjustment) requirements.

Without limiting the generality of Section 2.3, any good faith determination by the Administrator as to whether an adjustment is required in the circumstances pursuant to this Section 7.3.1, and the extent and nature of any such adjustment, shall be conclusive and binding on all persons.

Unless otherwise expressly provided by the Administrator, in no event shall a conversion of one or more outstanding shares of the Company's preferred share (if any) or any new issuance of securities by the Company for consideration be deemed, in and of itself, to require an adjustment pursuant to this Section 7.3.1.

7.3.2 Consequences of a Change in Control Event. Upon the occurrence of a Change in Control Event, the Administrator may make provision for a cash payment in settlement of, or for the assumption, substitution or exchange of any or all outstanding Awards (or the cash, securities or other property deliverable to the holder(s) of any or all outstanding Awards) based upon, to the extent relevant in the circumstances, the distribution or consideration payable to holders of the Ordinary Shares upon or in respect of such event.

The Administrator may, in its sole discretion, provide in the applicable Award Agreement or by an amendment thereto for the accelerated vesting of one or more Awards to the extent such Awards are outstanding upon a Change in Control Event or such other events or circumstances as the Administrator may provide.

The Administrator may adopt such valuation methodologies for outstanding Awards as it deems reasonable in the event of a cash, securities or other property settlement. In the case of Options and SARs, but without limitation on other methodologies, the Administrator may base such settlement solely upon the excess (if any) of the amount payable upon or in respect of such event over the exercise or base price of the Option or SAR, as applicable, to the extent of the then vested and exercisable shares subject to the Option or SAR.

In any of the events referred to in this Section 7.3.2, the Administrator may take such action contemplated by this Section 7.3.2 prior to such event (as opposed to on the occurrence of such event) to the extent that the Administrator deems the action necessary to permit the Participant to realize the benefits intended to be conveyed with respect to the underlying shares. Without limiting the generality of the foregoing, the Administrator may deem an acceleration to occur immediately prior to the applicable event and/or reinstate the original terms of the Award if an event giving rise to acceleration does not occur.

7.3.3 Early Termination of Awards. Upon the occurrence of a Change in Control Event, each then-outstanding Award (whether or not vested and/or exercisable, shall terminate, subject to any provision that has been expressly made by the Administrator, through a plan of reorganization or otherwise, for the survival, substitution, assumption, exchange or other continuation or settlement of such Award and provided that, in the case of Options and SARs that will not survive or be substituted for, assumed, exchanged, or otherwise continued or settled in the Change in Control Event, the holder of such Award shall be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise his or her outstanding and vested Options and SARs in accordance with their terms before the termination of the Awards (except that in no case shall more than ten days' notice of the impending termination be required). For purposes of this Section 7.3, an Award shall be deemed to have been "assumed" if (without limiting other circumstances in which an Award is assumed) the Award continues after the Change in Control Event, and/or is assumed and continued by a Parent (as such term is defined in the definition of Change in Control Event) following a Change in Control Event, and confers the right to purchase or receive, as applicable and subject to vesting and the other terms and conditions of the Award, for each Ordinary Share subject to the Award immediately prior to the Change in Control Event, the consideration (whether cash, shares, or other securities or property) received in the Change in Control Event by the shareholders of the Company for each Ordinary Share sold or exchanged in such transaction (or the consideration received by a majority of the shareholders participating in such transaction if the shareholders were offered a choice of consideration); provided, however, that if the consideration offered for an Ordinary Share in the transaction is not solely the ordinary shares of a successor company or a Parent, the Administrator may provide for the consideration to be received upon exercise or payment of the Award, for each share subject to the Award, to be solely ordinary shares (as applicable) of the successor company or a Parent equal in Fair Market Value to the per share consideration received by the shareholders participating in the Change in Control Event.

7.3.4 Other Acceleration Rules. The Administrator may override the provisions of this Section 7.3 as to any Award by express provision in the applicable Award Agreement and may accord any Participant a right to refuse any acceleration, whether pursuant to the Award Agreement or otherwise, in such circumstances as the Administrator may approve. The portion of any Incentive Stock Option accelerated in connection with a Change in Control Event (or such other circumstances as may trigger accelerated vesting of the Incentive Stock Option) shall remain exercisable as an Incentive Stock Option only to the extent the applicable US$100,000 limitation on Incentive Stock Options is not exceeded. To the extent exceeded, the accelerated portion of the Option shall be exercisable as a Nonqualified Option.

7.4 ***Termination of Employment or Services***.

7.4.1 Events Not Deemed a Termination of Employment. Unless the Administrator otherwise expressly provides with respect to a particular Award, if a Participant's employment by or service to the Company or an Affiliate terminates but immediately thereafter the Participant continues in the employ of or service to another Affiliate or the Company, as applicable, the Participant shall be deemed to have not had a termination of employment or service for purposes of this Plan and the Participant's Awards. Unless the express policy of the Company or the Administrator otherwise provides, a Participant's employment relationship with the Company or any of its Affiliates shall not be considered terminated solely due to any sick leave, military leave, or any other leave of absence authorized by the Company or any Affiliate or the Administrator; provided that, unless reemployment upon the expiration of such leave is guaranteed by contract or law, such leave is for a period of not more than three (3) months. In the case of any Participant on an approved leave of absence, continued vesting of the Award while on leave from the employ of or service with the Company or any of its Affiliates will be suspended until the Participant returns to service, unless the Administrator otherwise provides or applicable law otherwise requires. In no event shall an Award be exercised after the expiration of the term of the Award set forth in the Award Agreement.

7.4.2 Effect of Change of Affiliate Status. For purposes of this Plan and any Award, if an entity ceases to be an Affiliate, a termination of employment or service will be deemed to have occurred with respect to each Eligible Person in respect of such Affiliate who does not continue as an Eligible Person in respect of another Affiliate that continues as such after giving effect to the transaction or other event giving rise to the change in status unless the Affiliate that is sold, spun-off or otherwise divested (or its successor or a direct or indirect parent of such Affiliate or successor) assumes the Eligible Person's award(s) in connection with such transaction.

7.4.3 Administrator Discretion. Notwithstanding the provisions of Section 5.6 or 6.8, in the event of, or in anticipation of, a termination of employment or service with the Company or any of its Affiliates for any reason, the Administrator may accelerate the vesting and exercisability of all or a portion of the Participant's Award, and/or, subject to the provisions of Sections 5.4.2 and 7.3, extend the exercisability period of the Participant's Option or SAR upon such terms as the Administrator determines and expressly sets forth in or by amendment to the Award Agreement.

7.4.4 Termination of Consulting or Affiliate Services. If the Participant is an Eligible Person solely by reason of clause (c) of Section 3, the Administrator shall be the sole judge of whether the Participant continues to render services to the Company or any of its Affiliates, unless a written contract or the Award Agreement otherwise provides. If, in these circumstances, the Company or any Affiliate notifies the Participant in writing that a termination of the Participant's services to the Company or any Affiliate has occurred for purposes of this Plan, then (unless the contract or the Award Agreement otherwise expressly provides), the Participant's termination of services with the Company or Affiliate for purposes of this Plan shall be the date specified by the Company or Affiliate in the notice.

7.5 ***Compliance with Laws***.

7.5.1 General. This Plan, the granting and vesting of Awards under this Plan, and the offer, issuance and delivery of Ordinary Shares, the acceptance of promissory notes and/or the payment of money under this Plan or under Awards are subject to compliance with all applicable federal and state laws, applicable foreign laws, rules and regulations (including but not limited to state and federal securities laws, and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. Any person acquiring any securities under this Plan will, if requested by the Company, provide such assurances and representations to the Company as the Administrator may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements.

7.5.2 Compliance with Securities Laws. No Participant shall sell, pledge or otherwise transfer Ordinary Shares acquired pursuant to an Award or any interest in such shares except in accordance with the express terms of this Plan and the applicable Award Agreement. Any attempted transfer in violation of this Section 7.5 shall be void and of no effect. Without in any way limiting the provisions set forth above, no Participant shall make any disposition of all or any portion of Ordinary Shares acquired or to be acquired pursuant to an Award, except in compliance with all applicable federal and state securities laws and unless and until:

(a) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement;

(b) such disposition is made in accordance with Rule 144 under the Securities Act; or

(c) such Participant notifies the Company of the proposed disposition and furnishes the Company with a statement of the circumstances surrounding the proposed disposition, and, if requested by the Company, furnishes to the Company an opinion of counsel acceptable to the Company's counsel, that such disposition will not require registration under the Securities Act and will be in compliance with all applicable securities laws.

Notwithstanding anything else herein to the contrary, neither the Company or any Affiliate has any obligation to register the Ordinary Shares or file any registration statement under either federal or state securities laws, nor does the Company or any Affiliate make any representation concerning the likelihood of a public offering of the Ordinary Shares or any other securities of the Company or any Affiliate.

7.5.3 Share Legends. All certificates evidencing Ordinary Shares issued or delivered under this Plan shall bear the following legends and/or any other appropriate or required legends under applicable laws:

"OWNERSHIP OF THIS CERTIFICATE, THE SHARES EVIDENCED BY THIS CERTIFICATE AND ANY INTEREST THEREIN ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER UNDER APPLICABLE LAW AND UNDER AGREEMENTS WITH THE COMPANY, INCLUDING RESTRICTIONS ON SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION."

"THE SHARES ARE SUBJECT TO THE COMPANY'S RIGHT OF FIRST REFUSAL AND CALL RIGHTS TO REPURCHASE THE SHARES UNDER THE COMPANY'S SHARE INCENTIVE PLAN AND AGREEMENTS WITH THE COMPANY THEREUNDER."

"THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT OF THE COMPANY FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE COMPANY. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES."

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE ACT, NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL TO THE COMPANY, REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH ANY OTHER APPLICABLE SECURITIES LAWS."

7.5.4 Confidential Information. Any financial or other information relating to the Company obtained by Participants in connection with or as a result of this Plan or their Awards shall be treated as confidential.

7.6 ***Tax Withholding***. Upon any exercise, vesting, or payment of any Award or upon the disposition of Ordinary Shares acquired pursuant to the exercise of an Incentive Stock Option prior to satisfaction of the holding period requirements of Section 422 of the Code, the Company or any of its Affiliates shall have the right at its option to:

(a) require the Participant (or the Participant's Personal Representative or Beneficiary, as the case may be) to pay or provide for payment of at least the minimum amount of any taxes which the Company or Affiliate may be required to withhold with respect to such Award event or payment;

(b) deduct from any amount otherwise payable (in respect of an Award or otherwise) in cash to the Participant (or the Participant's Personal Representative or Beneficiary, as the case may be) the minimum amount of any taxes which the Company or Affiliate may be required to withhold with respect to such Award event or payment; or

(c) reduce the number of Ordinary Shares to be delivered by (or otherwise reacquire shares held by the Participant) the appropriate number of Ordinary Shares, valued at their then Fair Market Value, to satisfy the minimum withholding obligation.

In any case where a tax is required to be withheld (including taxes in the PRC where applicable) in connection with the delivery of Ordinary Shares under this Plan (including the sale of Ordinary Shares as may be required to comply with foreign exchange rules in the PRC for Participants resident in the PRC), the Administrator may in its sole discretion (subject to Section 7.5) grant (either at the time of the Award or thereafter) to the Participant the right to elect, pursuant to such rules and subject to such conditions as the Administrator may establish, to have the Company reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares, valued in a consistent manner at their Fair Market Value or at the sales price in accordance with authorized procedures for cashless exercises, necessary to satisfy the minimum applicable withholding obligation on exercise, vesting or payment. In no event shall the shares withheld exceed the minimum whole number of shares required for tax withholding under applicable law. The Company may, with the Administrator's approval, accept one or more promissory notes from any Eligible Person in connection with taxes required to be withheld upon the exercise, vesting or payment of any Award under this Plan; provided that any such note shall be subject to terms and conditions established by the Administrator and the requirements of applicable law. Any such note need not otherwise comply with the provisions of Section 5.3.3.

7.7 ***Plan and Award Amendments, Termination and Suspension***.

7.7.1 Board Authorization. The Board may, at any time, terminate or, from time to time, amend, modify or suspend this Plan, in whole or in part. No Awards may be granted during any period that the Board suspends this Plan.

7.7.2 Approval. To the extent then required by applicable law or any applicable listing agency or required under Sections 162, 422 or 424 of the Code or other applicable tax law, rules or regulations, to preserve the intended tax consequences of this Plan, or deemed necessary or advisable by the Board, any amendment to this Plan shall be subject to the approval of the Board or the Members in accordance with the charter documents of the Company.

7.7.3 Amendments to Awards. Without limiting any other express authority of the Administrator under (but subject to) the express limits of this Plan, the Administrator by agreement or resolution may waive conditions of or limitations on Awards to Participants that the Administrator in the prior exercise of its discretion has imposed, without the consent of a Participant, and (subject to the requirements of Sections 2.2 and 7.7.4) may make other changes to the terms and conditions of Awards.

7.7.4 Limitations on Amendments to Plan and Awards. No amendment, suspension or termination of this Plan or amendment of any outstanding Award shall, without written consent of the Participant, affect in any manner materially adverse to the Participant any rights or benefits of the Participant or obligations of the Company under any Award granted under this Plan prior to the effective date of such change. Changes, settlements and other actions contemplated by Section 7.3 shall not be deemed to constitute changes or amendments for purposes of this Section 7.7.

7.8 ***Privileges of Share Ownership***. Except as otherwise expressly authorized by the Administrator, a Participant will not be entitled to any privilege of share ownership as to any Ordinary Shares not actually delivered to and held of record by the Participant. Except as expressly required by Section 7.3.1, no adjustment will be made for dividends or other rights as a shareholder for which a record date is prior to such date of delivery.

7.9 ***Share-Based Awards in Substitution for Awards Granted by Other Company***. Awards may be granted to Eligible Persons in substitution for or in connection with an assumption of employee share options, share appreciation rights, restricted shares or other share-based awards granted by other entities to persons who are or who will become Eligible Persons in respect of the Company or one of its Affiliates, in connection with a distribution, merger, amalgamation or other reorganization by or with the granting entity or an affiliated entity, or the acquisition by the Company or one of its Affiliates, directly or indirectly, of all or a substantial part of the shares or assets of the employing entity. The Awards so granted need not comply with other specific terms of this Plan, provided the Awards reflect only adjustments giving effect to the assumption or substitution consistent with the conversion applicable to the Ordinary Shares in the transaction and any change in the issuer of the security. Any shares that are delivered and any Awards that are granted by, or become obligations of, the Company, as a result of the assumption by the Company of, or in substitution for, outstanding awards previously granted by an acquired company (or previously granted by a predecessor employer (or direct or indirect parent thereof) in the case of persons that become employed by the Company or one of its Affiliates in connection with a business or asset acquisition or similar transaction) shall not be counted against the Share Limit or other limits on the number of shares available for issuance under this Plan.

7.10 ***Effective Date of the Plan***. This Plan is effective upon the Effective Date.

7.11 ***Term of the Plan***. Unless earlier terminated by the Board, this Plan will terminate at the close of business on the day before the 10th anniversary of the Effective Date. After the termination of this Plan either upon such stated expiration date or its earlier termination by the Board, no additional Awards may be granted under this Plan, but previously granted Awards (and the authority of the Administrator with respect thereto, including the authority to amend such Awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of this Plan.

7.12 ***Termination of the Plan Prior to a Public Offering***. If, prior to the expiration of this Plan, the Company has been unable to complete a public offering and become listed on a recognized national or international securities exchange due to macro-economic or market condition or any other exterior reason that makes the public offering and listing inappropriate but the Company has otherwise met the listing requirements and conditions of any recognized national or international securities exchange, the Company may, upon expiration of this Plan, cancel all the outstanding Awards and, in exchange thereof, pay the holders of the Awards, in cash or other form of consideration as approved by the Board.

7.13 ***Governing Law/Severability***.

7.13.1 Choice of Law. This Plan, the Awards, all documents evidencing Awards and all other related documents will be governed by, and construed in accordance with, the laws of the Cayman Islands.

7.13.2 Severability. If it is determined that any provision of this Plan or an Award Agreement is invalid and unenforceable, the remaining provisions of this Plan and/or the Award Agreement, as applicable, will continue in effect provided that the essential economic terms of this Plan and the Award can still be enforced.

7.14 ***Captions***. Captions and headings are given to the sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings will not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.

7.15 ***Non-Exclusivity of Plan***. Nothing in this Plan will limit or be deemed to limit the authority of the Board or the Administrator to grant awards or authorize any other compensation, with or without reference to the Ordinary Shares, under any other plan or authority.

7.16 ***No Restriction on Corporate Powers***. The existence of this Plan, the Award Agreements, and the Awards granted hereunder, shall not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Company to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the Company's or any Affiliate's capital structure or its business; (b) any merger, amalgamation, consolidation or change in the ownership of the Company or any Affiliate; (c) any issue of bonds, debentures, capital, preferred or prior preference shares ahead of or affecting the Company's authorized shares or the rights thereof; (d) any dissolution or liquidation of the Company or any Affiliate; (e) any sale or transfer of all or any part of the Company or any Affiliate's assets or business; or (f) any other corporate act or proceeding by the Company or any Affiliate. No Participant, Beneficiary or any other person shall have any claim under any Award or Award Agreement against any member of the Board or the Administrator, or the Company or any employees, officers or agents of the Company or any Affiliate, as a result of any such action.

7.17 ***Other Company Compensation or Benefit Programs***. Payments and other benefits received by a Participant under an Award made pursuant to this Plan shall not be deemed a part of a Participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Company or any Affiliate, except where the Administrator or the Board expressly otherwise provides or authorizes in writing. Awards under this Plan may be made in addition to, in combination with, as alternatives to or in payment of grants, awards or commitments under any other plans or arrangements of the Company or any Affiliate.

7.18 ***Clawback Policy***. The Awards granted under this Plan are subject to the terms of the Company's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of Awards or any Ordinary Shares or other cash or property received with respect to the Awards (including any value received from a disposition of the shares acquired upon payment of the Awards).

8. DEFINITIONS.

"**Administrator**" has the meaning given to such term in Section 2.1.

"**Affiliate**" means any corporation, entity or person that is directly or indirectly Controlled by the Company;

"**Award**" means an award of any Option, SAR or Share Award, or any combination thereof, whether alternative or cumulative, authorized by and granted under this Plan.

"**Award Agreement**" means any writing, approved by the Administrator, setting forth the terms of an Award that has been duly authorized and approved.

"**Award Date**" means the date upon which the Administrator took the action granting an Award or such other date as the Administrator designates as the Award Date at the time of the grant of the Award.

"**Beneficiary**" means the person, persons, trust or trusts designated by a Participant, or, in the absence of a designation, entitled by will or the laws of descent and distribution, to receive the benefits specified in the Award Agreement and under this Plan if the Participant dies, and means the Participant's executor or administrator if no other Beneficiary is designated and able to act under the circumstances.

"**Board**" means the Board of Directors of the Company.

"**Cause**" with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a "for cause" termination has on the Participant's Awards) a termination of employment or service based upon a finding by the Company or any of its Affiliates, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Company or any Affiliate, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has failed to meet his or her performance target set by the Company or any Affiliate;

(c) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(d) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Company or any of its Affiliates; or has been convicted of, or pled guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(e) has breached any of the provisions of any agreement with the Company or any of its Affiliates (including without limitation any non-compete obligation);

(f) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Company or any of its Affiliates;

(g) has requested for termination of, or refused to renew, his or her employment or service; or

(h) has improperly induced a vendor, customer or employee to break or terminate any contract or relationship with the Company or any of its Affiliates or induced a principal for whom the Company or any Affiliate acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Administrator) on the date on which the Company or any Affiliate first delivers written notice to the Participant of a finding of termination for Cause.

"**Change in Control Event**" means any of the following:

(a) Approval by shareholders of the Company (or, if no shareholders' approval is required, by the Board alone) of the complete dissolution or liquidation of the Company, other than in the context of a Business Combination that does not constitute a Change in Control Event under paragraph (c) below;

(b) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act (a "**Person**")) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of either (1) the then-outstanding Ordinary Shares of the Company (the "**Outstanding Company Ordinary Shares**") or (2) the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "**Outstanding Company Voting Securities**"); provided, however, that, for purposes of this paragraph (b), the following acquisitions shall not constitute a Change in Control Event; (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate or a successor, (D) any acquisition by any entity pursuant to a Business Combination, (E) any acquisition by a Person described in and satisfying the conditions of Rule 13d-1(b) promulgated under the Exchange Act, or (F) any acquisition by a Person who is the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the Outstanding Company Ordinary Shares and/or the Outstanding Company Voting Securities on the Effective Date (or an affiliate, heir, descendant, or related party of or to such Person);

(c) Consummation of a reorganization, amalgamation, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any other entity a majority of whose outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company (a "**Subsidiary**"), a sale or other disposition of all or substantially all of the assets of the Company, or the acquisition of assets or shares of another entity by the Company or any of its Subsidiaries (each, a "**Business Combination**"), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Ordinary Shares and the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding ordinary shares and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or through one or more subsidiaries (a "**Parent**")), and (2) no Person (excluding any individual or entity described in clauses (C), (E) or (F) of paragraph (b) above) beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, more than 50% of, respectively, the then-outstanding ordinary shares of the entity resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such entity, except to the extent that the ownership in excess of 50% existed prior to the Business Combination;

provided, however, that a transaction shall not constitute a Change in Control Event if it is in connection with the underwritten public offering of the Company's securities.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"**Company**" means QuantaSing Group Limited, an exempted company organized under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, and its successors.

"**Control**" means the power or authority, whether exercised or not, to direct the business, management and policies of a person, directly or indirectly, or by effective control whether through the ownership of voting securities, by contract or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than 50% of the votes entitled to be cast at a meeting of the members or shareholders of such person or power to control the composition of the board of directors of such person; the terms "**Controlled**" and "**Controlling**" have the meaning correlative to the foregoing.

"**Effective Date**" means the date the Board approved this Plan.

"**Eligible Person**" has the meaning given to such term in Section 3 of this Plan.

"**Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended from time to time.

"**Fair Market Value**", for purposes of this Plan and unless otherwise determined or provided by the Administrator in the circumstances, means as follows:

(a) If the Ordinary Shares are listed or admitted to trade on the New York Stock Exchange, Hong Kong Exchanges or other national or international securities exchange (the "**Exchange**"), the Fair Market Value shall equal the closing price of an Ordinary Share as reported on the composite tape for securities on the Exchange for the date in question, or, if no sales of Ordinary Shares were made on the Exchange on that date, the closing price of an Ordinary Share as reported on said composite tape for the immediately preceding day on which sales of Ordinary Shares were made on the Exchange. The Administrator may, however, provide with respect to one or more Awards that the Fair Market Value shall equal the closing price of an Ordinary Share as reported on the composite tape for securities listed on the Exchange on the last trading day preceding the date in question or the average of the high and low trading prices of an Ordinary Share as reported on the composite tape for securities listed on the Exchange for the date in question or the most recent trading day.

(b) If the Ordinary Shares are not listed or admitted to trade on a national or international securities exchange, the Fair Market Value shall be the value as reasonably determined by the Administrator for purposes of the Award in the circumstances (with the expectation being that, in the case of a valuation as of a transaction in which Ordinary Shares or similar securities are being sold or exchanged, such determination by the Administrator will be principally based on the value of the consideration received by the holders of the securities sold or exchanged in such transaction).

The Administrator also may adopt a different methodology for determining Fair Market Value with respect to one or more Awards if a different methodology is necessary or advisable to secure any intended favorable tax, legal or other treatment for the particular Award(s) (for example, and without limitation, the Administrator may provide that Fair Market Value for purposes of one or more Awards will be based on an average of closing prices (or the average of high and low daily trading prices) for a specified period preceding the relevant date).

Any determination as to Fair Market Value made pursuant to this Plan shall be made without regard to any restriction other than a restriction which, by its terms, will never lapse, and shall be conclusive and binding on all persons with respect to Awards granted under this Plan.

"**Incentive Stock Option**" means an Option that is designated and intended as an "incentive stock option" within the meaning of Section 422 of the Code (if applicable), the award of which contains such provisions (including but not limited to the receipt of shareholder approval of this Plan, if the award is made prior to such approval) and is made under such circumstances and to such persons as may be necessary to comply with that section.

"**Nonqualified Option**" means an Option that is not an "incentive stock option" within the meaning of Section 422 of the Code (if applicable) and includes any Option designated or intended as a Nonqualified Option and any Option designated or intended as an Incentive Stock Option that fails to meet the applicable legal requirements thereof.

"**Option**" means an option to purchase Ordinary Shares granted under Section 5 of this Plan. The Administrator will designate any Option granted to an employee of the Company or an Affiliate as a Nonqualified Option or an Incentive Stock Option and may also designate any Option as an Early Exercise Option.

"**Ordinary Shares**" means the Company's Ordinary Shares, par value US$0.0001 per share, and such other securities or property as may become the subject of Awards, or become subject to Awards, pursuant to an adjustment made under Section 7.3.1 of this Plan.

"**Participant**" means an Eligible Person who has been granted and holds an Award under this Plan.

"**Personal Representative**" means the person or persons who, upon the disability or incompetence of a Participant, have acquired on behalf of the Participant, by legal proceeding or otherwise, the power to exercise the rights or receive benefits under this Plan by virtue of having become the legal representative of the Participant.

"**Plan**" means this QuantaSing Group Limited Share Incentive Plan, as it may hereafter be amended from time to time.

"**Public Offering Date**" means the date of the initial public offering of the equity securities of the Company under the Securities Act (or another applicable law under a jurisdiction other than the United States of America), as the case may be, and listed or quoted on a recognized national or international securities exchange.

"**Restricted Shares**" means Ordinary Shares awarded to a Participant under this Plan, subject to payment of such consideration and such conditions on vesting (which may include, among others, the passage of time, specified performance objectives or other factors) and such transfer and other restrictions as are established in or pursuant to this Plan and the related Award Agreement, to the extent such Ordinary Shares remain unvested and restricted under the terms of the applicable Award Agreement.

"**Restricted Share Award**" means an award of Restricted Shares.

"**SAR**" means a share appreciation right, representing the right, subject to the terms and conditions of the Plan and the applicable Award Agreement, to receive a payment, in cash and/or Ordinary Shares (as specified in the applicable Award Agreement), equal to the excess of the Fair Market Value of an Ordinary Share on the date the SAR is exercised over the "base price" of the SAR, which base price shall be set forth in the applicable Award Agreement.

"**Securities Act**" means the U.S. Securities Act of 1933, as amended from time to time.

"**Severance Date**" with respect to a particular Participant means, unless otherwise provided in the applicable Award Agreement:

(a) if the Participant is an Eligible Person under clause (a) of Section 3 and the Participant's employment by the Company or any of its Affiliates terminates (regardless of the reason), the last day that the Participant is actually employed by the Company or such Affiliate (unless, immediately following such termination of employment, the Participant is a member of the Board or, by express written agreement with the Company or any of its Affiliates, continues to provide other services to the Company or any Affiliate as an Eligible Person under clause (c) of Section 3, in which case the Participant's Severance Date shall not be the date of such termination of employment but shall be determined in accordance with clause (b) or (c) below, as applicable, in connection with the termination of the Participant's other services);

(b) if the Participant is not an Eligible Person under clause (a) of Section 3 but is an Eligible Person under clause (b) thereof, and the Participant ceases to be a member of the Board (regardless of the reason), the last day that the Participant is actually a member of the Board (unless, immediately following such termination, the Participant is an employee of the Company or any of its Affiliates or, by express written agreement with the Company or any of its Affiliates, continues to provide other services to the Company or any Affiliate as an Eligible Person under clause (c) of Section 3, in which case the Participant's Severance Date shall not be the date of such termination but shall be determined in accordance with clause (a) above or (c) below, as applicable, in connection with the termination of the Participant's employment or other services);

(c) if the Participant is not an Eligible Person under clause (a) or clause (b) of Section 3 but is an Eligible Person under clause (c) thereof, and the Participant ceases to provide services to the Company or any of its Affiliates as determined in accordance with Section 7.4.4 (regardless of the reason), the last day that the Participant actually provides services to the Company or such Affiliate as an Eligible Person under clause (c) of Section 3 (unless, immediately following such termination, the Participant is an employee of the Company or any of its Affiliates or is a member of the Board, in which case the Participant's Severance Date shall not be the date of such termination of services but shall be determined in accordance with clause (a) or (b) above, as applicable, in connection with the termination of the Participant's employment or membership on the Board).

"**Share Award**" means an award granted under Section 6 of this Plan. A Share Award may include: (a) Restricted Shares, share bonuses, performance shares, share units, phantom shares, dividend equivalents, or similar rights to purchase or acquire Ordinary Shares, whether at a fixed or variable price or ratio related to the Ordinary Shares, upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof; or (b) any similar securities with a value derived from the value of or related to the Ordinary Shares and/or returns thereon.

"**Total Disability**" means a "total and permanent disability" within the meaning of Section 22(e)(3) of the Code and, with respect to Awards other than Incentive Stock Options, such other disabilities, infirmities, afflictions, or conditions as the Administrator may include.

QUANTASING GROUP LIMITED

2021 GLOBAL SHARE PLAN (Adopted by the Company's Board of Directors on May 31, 2022)

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentives to selected Employees, Directors, and Consultants and to promote the success of the Company's business by offering these individuals an opportunity to acquire a proprietary interest in the success of the Company or to increase this interest, by issuing them Shares or by permitting them to purchase Shares. The Plan permits the grant of Options and Share Purchase Rights as the Administrator may determine.

2. Definitions. For the purposes of this Plan, the following terms shall have the following meanings:

(a) "Acquisition Date" means, with respect to Shares, the respective dates on which the Shares are sold or issued under the Plan pursuant to an Award.

(b) "Administrator" means the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 hereof.

(c) "Applicable Law" means any applicable legal requirements relating to the administration of and the issuance of securities under equity securities-based compensation plans, including, without limitation, the requirements of U.S. state corporate laws, U.S. federal and state securities laws, U.S. federal law, the Code, the laws of the Cayman Islands, the laws of the People's Republic of China, and the requirements of any stock exchange or quotation system upon which the Shares may then be listed or quoted and the applicable laws, rules and regulations of any other country or jurisdiction where Awards are granted under the Plan. For all purposes of this Plan, references to statutes shall be deemed to include any rules and regulations promulgated pursuant to authority set forth in such statutes and references to statutes and regulations shall be deemed to include any successor statutes or regulations, to the extent reasonably appropriate as determined by the Administrator.

(d) "Award" means an Option or a Share Purchase Right or other types of award approved by the Administrator or granted to a Participant pursuant to this Plan.

(e) "Award Agreement" means a written or electronic agreement between the Company and a Participant, the form(s) of which shall be approved from time to time by the Administrator, evidencing the terms and conditions of an individual Award granted under the Plan, and includes any documents attached to or incorporated into the Award Agreement. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Cause" means, as determined by the Committee and unless otherwise provided in an applicable agreement with the Company or a Subsidiary, (i) a Participant's unauthorized misuse of the Company or a Parent or Subsidiary of the Company's trade secrets or proprietary information, (ii) a Participant's conviction of or plea of nolo contendere to a felony or a crime involving moral turpitude, (iii) a Participant's committing an act of fraud against the Company or a Parent or Subsidiary of the Company, (iv) a Participant's gross negligence or willful misconduct in the performance of his or her duties that has had or will have a material adverse effect on the Company or Parent or Subsidiary of the Company' reputation or business, (v) a Participant's violation of applicable laws or regulations or internal regulation of the Company or a Parent or Subsidiary of the Company or labor agreement, or a Participant's breach of employment agreement or other similar agreement between the Participant and the Company or a Parent or Subsidiary of the Company, or (vi) a Participant directly or indirectly own, manage, be engaged in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation, or control of, any business, whether in corporate, proprietorship or partnership form or otherwise, that is within, similar to, competing to or related to the business (as determined by the Company) as then conducted by the Company or its affiliates.

(h) "Change in Control" means unless as otherwise defined in the Award Agreement, the occurrence of any of the following events:

(i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner'' (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) the consummation of the sale, lease, or disposition by the Company of all or substantially all of the Company's assets; or

(iii) the consummation of a scheme of arrangement, merger, consolidation or other similar business combination involving the Company and any other corporation or corporations, other than a scheme of arrangement, merger, consolidation or other similar business combination that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after the scheme of arrangement, merger, consolidation or other similar business combination.

Anything in the foregoing to the contrary notwithstanding, a transaction shall not constitute a Change in Control if its sole purpose is to change the legal jurisdiction of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction. In addition, a sale by the Company of its securities in a transaction, the primary purpose of which is to raise capital for the Company's operations and business activities including, without limitation, an initial public offering of Shares under the Securities Act or other Applicable Law, shall not constitute a Change in Control.

(i) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(j) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws as authorized by the Board in accordance with Section 4 hereof.

(k) "Company" means QuantaSing Group Limited, a company organized under the laws of the Cayman Islands, or any successor corporation thereto.

(l) "Consultant" means any natural person who is engaged by the Company, or any Parent, Subsidiary or variable interest entity whose financial statements are intended to be consolidated with the Company, any Parent or Subsidiary to render consulting or advisory services to such entity and who is compensated for the services; provided that the term "Consultant," does not include (i) Employees or (ii) securities promoters.

(m) "Date of Grant" means the date an Award is granted to a Participant in accordance with Section 14 hereof.

(n) "Director" means a member of the Board.

(o) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(p) "Employee" means, subject to Section 13 hereof, any person, including officers and Directors, employed by the Company or any Parent or Subsidiary. Neither service as a Director nor payment of a director's fee by the Company or any Parent or Subsidiary shall be sufficient to constitute "employment" by the Company or any Parent or Subsidiary.

(q) "Exercise Price" means the amount, if any, for which one Share may be purchased upon exercise of an Option, as specified by the Administrator in the applicable Award Agreement in accordance with Section 6(b) hereof.

(r) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(s) "Exchange Program" means a program under which outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower Exercise Prices or Purchase Prices and different terms), Awards of a different type, and/or cash, and/or the Exercise Price or Purchase Price of an outstanding Award is reduced. The terms and conditions of any Exchange Program will be determined by the Administrator in its sole discretion.

(t) "Fair Market Value" means, as of any date, the value of the Shares determined as follows:

(i) if the Shares are listed on any established stock exchange or a national market system, including, without limitation, the New York Stock Exchange, the Nasdaq National Market or the Nasdaq SmallCap Market of the Nasdaq Stock Market, the Fair Market Value shall be the closing sales price for the Shares (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in the Wall Street Journal or such other source as the Administrator deems reliable;

(ii) if the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value shall be the mean of the high bid and low asked prices for the Shares on the day of determination, as reported in the Wall Street Journal or any other source as the Administrator deems reliable; or

(iii) in the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Administrator in accordance with Applicable Law.

(u) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(v) "Market Stand-Off Period" shall mean, unless as otherwise stated in the Award Agreement, period of the longer term of the following: (i) six-months or other longer period as required by the underwriters and agreed by the Company since the consummation of initial public offering of Shares, (ii) the applicable lock-up period for the Optioned Shares as stipulated by the Applicable Laws of the place of the initial public offering of Shares.

(w) "Member" means an owner of Shares.

(x) "Non-statutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(y) "Option" means an option to purchase Shares that is granted pursuant to the Plan in accordance with Section 6 hereof.

(z) "Parent" means a "parent corporation" with respect to the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) "Participant" means the holder of an outstanding Award granted under the Plan, or the holder of Shares issuable or issued pursuant to the exercise of an Award.

(bb) "Plan" means this 2021 Global Share Plan, as amended from time to time.

(cc) "Purchase Price" means the amount of consideration, if any, for which one Share may be acquired pursuant to a Share Purchase Right, as specified by the Administrator in the applicable Award Agreement in accordance with Section 7(c) hereof.

(dd) [Reserved].

(ee) [Reserved].

(ff) "Restricted Shares" means Shares acquired pursuant to a Share Purchase Right or Shares subject to a Company repurchase or redemption right or forfeiture provision that are issued pursuant to an Option.

(gg) "Securities Act" means the U.S. Securities Act of 1933, as amended.

(hh) "Service Provider" means an Employee, Director, or Consultant.

(ii) "Share" means an Ordinary Share of the Company, as adjusted in accordance with Section 12 hereof.

(jj) "Shareholders Agreement" means any agreement between a Participant and the Company or Members of the Company or both.

(kk) "Share Purchase Right" means a right to purchase Restricted Shares pursuant to Section 7 hereof.

(ll) "Subsidiary" means a "subsidiary corporation" with respect to the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code. For the avoidance of doubt, Subsidiaries of the Company shall include the consolidated variable interest entities controlled by the Company through contractual arrangements.

(mm) "Ten Percent Owner" means a Service Provider who owns more than 10% of the total combined voting power of all classes of outstanding securities of the Company or any Parent or Subsidiary.

(nn) "U.S." or "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

(oo) "U.S. Person" has the meaning accorded to it in Rule 902(k) of the Securities Act.

3. Shares Subject to the Plan.

(a) Basic Limitation. Subject to the provisions of Section 12 hereof, the maximum aggregate number of Shares that may be issued under the Plan shall not exceed 21,717,118 Shares. The Shares may be authorized but unissued or reacquired Shares. The number of Shares that are subject to Awards outstanding under the Plan at any time shall not exceed the aggregate number of Shares that then remain available for issuance under the Plan. The Company, during the term of the Plan, shall at all times reserve and keep available sufficient Shares to satisfy the requirements of outstanding Awards granted under the Plan.

(b) Additional Shares. If an Award expires, becomes un-exercisable, or is cancelled, forfeited, or otherwise terminated without having been exercised or settled in full, as the case may be, or is surrendered pursuant to an Exchange Program, the Shares allocable to the unexercised portion of the Award shall again become available for future grant or sale under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan, upon exercise of an Option or delivery under a Share Purchase Right, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that in the event that Shares issued under the Plan are reacquired by the Company pursuant to any forfeiture provision, right of repurchase or redemption, or are retained by the Company upon the exercise of or purchase of Shares under an Award in order to satisfy the Exercise Price or Purchase Price for the Award or any tax withholding due with respect to the exercise or purchase, such Shares shall again become available for future grant under the Plan. Notwithstanding the foregoing and, subject to adjustment provided in Section 12, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 3(b).

4. Administration of the Plan. The Plan shall be administered by the Board or a Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Law.

(a) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value in accordance with Section 2;

(ii) to select the Service Providers to whom Awards may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve the form(s) of agreement for use under the Plan;

(v) to determine the terms and conditions of any Award granted hereunder including, but not limited to, the Exercise Price, the Purchase Price, the time or times when Options may be exercised (which may be based on performance criteria), the time or times when repurchase or redemption rights shall lapse, any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) to institute an Exchange Program;

(vii) to prescribe, amend, and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable laws of jurisdictions other than the United States;

(viii) to allow the Participants to satisfy withholding tax obligations and other expenses obligations incurred, if applicable, by electing to have the Company withhold from the Shares to be issued under an Award that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Participants to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(ix) to modify or amend each Award (subject to Section 17 hereof and Participant consent if the modification or amendment is to the Participant's detriment), including, without limitation, the discretionary authority to extend the post-termination exercisability of an Option longer than is otherwise provided for in an Award Agreement or accelerate the vesting or exercisability of an Option or lapsing of a repurchase or redemption right or forfeiture provision to which Restricted Shares may be subject;

(x) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(xi) to determine appointment of trustee or the Participants whose Awards to be administered by a trustee, if applicable; or to request any or all of the Participant(s) to form a special purpose vehicle or a trust to hold the Shares to be transferred pursuant to the Plan; and

(xii) to make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the Plan.

(b) Delegation of Authority to Officers. Subject to Applicable Law, the Administrator may delegate limited authority to specified officers of the Company to execute on behalf of the Company any instrument required to affect an Award previously granted by the Administrator.

(c) Effect of Administrator's Decision. All decisions, determinations, and interpretations of the Administrator shall be final and binding on all Participants.

5. Eligibility. Only Service Providers, or trusts or companies established in connection with any employee benefit plan of the Company (including the Plan) for the benefit of a Service Provider, or qualified former Employees, shall be eligible for the grant of Awards. Incentive Stock Options may be granted to Employees only.

A Ten Percent Owner shall not be eligible for the grant of an Incentive Stock Option unless (i) the Exercise Price is at least 110% of the Fair Market Value on the Date of Grant, and (ii) the Incentive Stock Option by its terms is not exercisable after the expiration of five (5) years from the Date of Grant. For purposes of this Section 5(b), in determining ownership of securities, the attribution rules of Section 424(d) of the Code shall apply.

6. Terms and Conditions of Options Award Agreement. Each grant of an Option under the Plan shall be evidenced by an Award Agreement between the Participant and the Company. Each Option shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Administrator deems appropriate for inclusion in an Award Agreement. The provisions of the various Award Agreements entered into under the Plan need not be identical.

(a) Number of Shares and Types of Options. Each Award Agreement shall specify the number of Shares that are subject to the Option and shall provide for the adjustment of such number in accordance with Section 12 hereof.

Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Non-statutory Stock Option. However, notwithstanding a designation of an Option as an Incentive Stock Option, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds US$100,000, such Options shall be treated as Non-statutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the Date of Grant.

(b) Exercise Price. Each Award Agreement shall specify the Exercise Price. The Exercise Price of any Option shall be determined by the Administrator in its sole discretion. The Exercise Price of an Incentive Stock Option shall not be less than 100% of the Fair Market Value on the Date of Grant, and a higher percentage may be required by Section 5 hereof. The Exercise Price shall be payable in accordance with Section 9 hereof and the applicable Award Agreement. Notwithstanding anything to the contrary in the foregoing or in Section 5, in the event of a transaction described in Section 424(a) of the Code, then, consistent with Section 424(a) of the Code, Incentive Stock Options may be issued at an Exercise Price other than as required by the provisions of this Section 6(b) and Section 5. For the avoidance of doubt, to the extent not prohibited by applicable laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(c) Term of Option. The Award Agreement shall specify the term of the Option; provided, however, that the term shall not exceed ten (10) years from the Date of Grant, and a shorter term may be required by Section 5 hereof. Subject to the preceding sentence, the Administrator in its sole discretion shall determine when an Option is to expire.

(d) Exercisability. Each Award Agreement shall specify the date when all or any installment of the Option is to become exercisable. The exercisability provisions of any Award Agreement shall be determined by the Administrator in its sole discretion. Unless otherwise set forth in the Award Agreement or as determined by the Administrator, no Option shall become exercisable unless and until (i) such Option has been fully vested according to the vesting terms provided under the Award Agreement, (ii) the Company has consummated the initial public offering of Shares, and (iii) all applicable legal requirements with respect to the exercise of Options, including without limitation the filing requirements of the State Administration of Foreign Exchange of the PRC, shall have been fully performed and complied with by the applicable Participant.

(e) Exercise Procedure. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as may be determined by the Administrator and as set forth in the Award Agreement; provided, however, that an Option shall not be exercised for a fraction of a Share.

(i) An Option shall be deemed exercised when the Company receives (A) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, (B) full payment for the Shares with respect to which the Option is exercised, together with any applicable tax withholding, and (C) all representations, indemnifications, and documents requested by the Administrator, including, without limitation, any Shareholders Agreement. Full payment may consist of any consideration and method of payment authorized by the Administrator in accordance with Section 9 hereof and permitted by the Award Agreement.

(ii) Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Subject to the provisions of Sections 8, 9, 15, and 16, the Company shall issue (or cause to be issued) certificates evidencing the issued Shares promptly after the Option is exercised. Notwithstanding the foregoing, the Administrator in its discretion may require the Company to retain possession of any certificate evidencing Shares acquired upon the exercise of an Option if those Shares remain subject to forfeiture, repurchase or redemption under the provisions of the Award Agreement, any Shareholders Agreement, or any other agreement between the Company and the Participant, or if those Shares are collateral for a loan or obligation due to the Company.

(iii) Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan (in accordance with Section 3(b)) and for sale under the Option, by the number of Shares as to which the Option is exercised.

(f) Termination of Service (other than by death or Cause). If a Participant ceases to be a Service Provider for any reason before the second (2th) anniversary of his or her Date of Grant other than because of death or Cause, then any outstanding Option (including any vested portion thereof) held by the Participant shall immediately terminate in its entirety upon first notification to the Participant of the Participant ceasing to be a Service Provider and all of the Shares subject to the Option shall be forfeited immediately on such date of notification; If a Participant ceases to be a Service Provider for any reason on or after the second (2th) anniversary of his or her Date of Grant other than because of death or Cause, then the Participant's Options shall expire on the earliest of the following occasions:

(i) The expiration date determined by Section 6 hereof;

(ii) The 30th day following the termination of the Participant' relationship as a Service Provider for any reason other than Disability, or such other date as the Administrator may determine and specify in the Award Agreement, provided that no Option that is exercised after the expiration of the three-month period immediately following the termination of the Participant's relationship as an Employee shall be treated as an Incentive Stock Option; or

(iii) The last day of the six-month period following the termination of the Participant's relationship as a Service Provider by reason of Disability, or such other date as the Administrator may determine and specify in the Award Agreement; provided that no Option that is exercised after the expiration of the twelve-month period immediately following the termination of the Participant's relationship as an Employee shall be treated as an Incentive Stock Option.

Following the termination of the Participant's relationship as a Service Provider, the Participant may exercise all or part of the Participant's Option at any time before the expiration of the Option as set forth in Section 6 hereof, but only to the extent that the Option was vested and exercisable as of the date of termination of the Participant's relationship as a Service Provider (or became vested and exercisable as a result of the termination). Unless the Administrator provides otherwise in an Award Agreement, the balance of the Shares subject to the Option shall be forfeited on the date of termination of the Participant's relationship as a Service Provider. In the event that the Participant dies after the termination of the Participant's relationship as a Service Provider but before the expiration of the Participant's Option as set forth in Section 6 hereof, all or part of the Option may be exercised (prior to expiration) by the executors or administrators of the Participant's estate or by any person who has acquired the Option directly from the Participant by beneficiary designation, bequest, or inheritance, but only to the extent that the Option was vested and exercisable as of the termination date of the Participant's relationship as a Service Provider (or became vested and exercisable as a result of the termination). Any Shares subject to the portion of the Option that are vested as of the termination date of the Participant's relationship as a Service Provider but that are not purchased prior to the expiration of the Option pursuant to this Section 6 shall be forfeited immediately following the Option's expiration.

(g) Death of Participant. If a Participant dies while a Service Provider, then the Participant's Options shall expire on the earlier of the following dates:

(i) The expiration date determined by Section 6 hereof;

(ii) The last day of the six-month period immediately following the Participant's death, or such other date as the Administrator may determine and specify in the Award Agreement.

All or part of the Participant's Option may be exercised at any time before the expiration of the Option as set forth in Section 6 hereof by the executors or administrators of the Participant's estate or by any person who has acquired the Option directly from the Participant by beneficiary designation, bequest, or inheritance, but only to the extent that the Option was vested and exercisable as of the date of the Participant's death or had become vested and exercisable as a result of the death. The balance of the Shares subject to the Option shall be forfeited upon the Participant's death. Any Shares subject to the portion of the Option that are vested as of the Participant's death but that are not purchased prior to the expiration of the Option pursuant to this Section 6 shall be forfeited immediately following the Option's expiration.

(h) For Cause. In the event the Participant ceases to be a Service Provider for Cause, any outstanding Option (including any vested portion thereof) held by the Participant shall immediately terminate in its entirety upon first notification to the Participant of the Participant ceasing to be a Service Provider for Cause, all of the Shares subject to the Option shall be forfeited immediately on such date of notification and all of the benefits subject to the Option acquired by the Service Provider shall be returned to the Company. If the Participant's service is suspended pending an investigation of whether the Participant will cease to be a Service Provider for Cause, all the Participant's rights under any Option, including the right to exercise the Option, shall be suspended during the investigation period.

(i) Restrictions on Transfer of Shares. Shares issued upon exercise of an Option shall be subject to such forfeiture conditions, rights of repurchase or redemption, rights of first refusal, and other transfer restrictions as the Administrator may determine. The restrictions described in the preceding sentence shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

7. Terms and Conditions of Share Purchase Rights Award Agreement. Each Share Purchase Right under the Plan shall be evidenced by an Award Agreement between the Participant and the Company. Each Share Purchase Right shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions that are not inconsistent with the Plan and that the Administrator deems appropriate for inclusion in an Award Agreement. The provisions of the various Award Agreements entered into under the Plan need not be identical.

(a) [Reserved].

(b) Duration of Offers and Non-transferability of Share Purchase Rights. Any Share Purchase Rights granted under the Plan shall automatically expire if not exercised by the Participant within 30 days (or such longer time as is specified in the Award Agreement) after the Date of Grant. Share Purchase Rights shall not be transferable and shall be exercisable only by the Participant to whom the Share Purchase Right was granted.

(c) Purchase Price. The Purchase Price shall be determined by the Administrator in its sole discretion. The Purchase Price shall be payable in a form described in Section 9 hereof.

(d) Restrictions on Transfer of Shares. Any Shares awarded or sold pursuant to Share Purchase Rights shall be subject to such forfeiture conditions, rights of repurchase or redemption, rights of first refusal, and other transfer restrictions as the Administrator may determine. The restrictions described in the preceding sentence shall be set forth in the applicable Award Agreement and shall apply in addition to any restrictions that may apply to holders of Shares generally.

8. Tax Withholding. As a condition to the exercise of an Option or purchase of Restricted Shares, the Participant (or in the case of the Participant's death or in the event of a permissible transfer of Awards hereunder, the person exercising the Option or purchasing Restricted Shares) shall make such arrangements as the Administrator may require for the satisfaction of any applicable tax withholding arising in connection with the exercise of an Option, purchase of Restricted Shares or disposition of Awards under Applicable Laws. The Participant (or in the case of the Participant's death or in the event of a permissible transfer of Awards hereunder, the person exercising the Option or purchasing Restricted Shares) also shall make such arrangements as the Administrator may require for the satisfaction of any applicable U.S. federal, state, local, or non-U.S. tax withholding obligations, including those under the laws of the People's Republic of China, that may arise in connection with the disposition of Shares acquired by exercising an Option or purchasing Restricted Shares. The Company shall not be required to issue any Shares under the Plan until the foregoing obligations are satisfied. Without limiting the generality of the foregoing, upon the exercise of the Option or delivery of Restricted Shares, the Company, or a Parent or Subsidiary, as required by Applicable Law, shall have the right to withhold taxes from any compensation or other amounts that the Company or such Parent or Subsidiary, as applicable, may owe to the Participant, or to require the Participant to pay to the Company or such Parent or Subsidiary, as applicable, the amount of any taxes that the Company or such Parent or Subsidiary may be required to withhold with respect to the Shares issued to the Participant or the disposition of Awards or Shares. Without limiting the generality of the foregoing, the Administrator in its discretion may authorize the Participant to satisfy all or part of any tax withholding liability by one or some combination of the following methods: (i) by cash payment; (ii) by payroll deduction out of Participant's current compensation; (iii) having the Company, or the applicable Parent or Subsidiary, withhold from the Shares that would otherwise be issued upon the exercise of an Option, purchase of Restricted Shares or the disposition of Awards or Shares that number of Shares having a Fair Market Value, as of the date the withholding tax liability arises, equal to the portion of the Company's tax withholding liability to be so satisfied; (iv) by delivering to the Company previously owned and unencumbered Shares having a Fair Market Value, as of the date the tax withholding liability arises, equal to the amount of the Company's tax withholding liability to be so satisfied.

9. Payment for Shares. The consideration to be paid for the Shares to be issued under the Plan, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined on the Date of Grant), subject to the provisions in this Section 9 and Applicable Law.

(a) General Rule. The entire Exercise Price or Purchase Price (as the case may be) for Shares issued under the Plan shall be payable in cash or cash equivalents at the time when the Shares are purchased, except as otherwise provided in this Section 9 or Applicable Law.

(b) Surrender of Shares. To the extent that an Award Agreement so provides, all or any part of the Exercise Price or Purchase Price (as the case may be) may be paid by surrendering, or attesting to the ownership of Shares that are already owned by the Participant. These Shares shall be surrendered to the Company in good form for transfer and shall be valued at their Fair Market Value on the date the Option is exercised or Restricted Shares are purchased. The Participant shall not surrender, or attest to the ownership of Shares in payment of the Exercise Price or Purchase Price (as the case may be) if this action would subject the Company to adverse accounting consequences, as determined by the Administrator.

(c) Services Rendered. At the discretion of the Administrator and to the extent so provided in the agreements evidencing Awards of Shares under the Plan, Shares may be awarded under the Plan in consideration of services rendered to the Company or any Parent or Subsidiary prior to the Award to the extent permitted by Applicable Law.

(d) [Reserved].

(e) Exercise/Sale. At the discretion of the Administrator and to the extent an Award Agreement so provides, and if the Shares are publicly traded, payment may be made all or in part by the delivery (on a form and in a manner prescribed by the Company) of an irrevocable direction to a securities broker approved by the Company to sell Shares and to deliver all or part of the sales proceeds to the Company in payment of all or part of the Exercise Price and any tax withholding.

(f) Exercise/Pledge. At the discretion of the Administrator and to the extent an Award Agreement so provides, and if the Shares are publicly traded, payment may be made all or in part by the delivery (on a form and in a manner prescribed by the Company) of an irrevocable direction to pledge Shares to a securities broker or lender approved by the Company, as security for a loan, and to deliver all or part of the loan proceeds to the Company in payment of all or part of the Exercise Price and any tax withholding.

(g) Other Forms of Consideration. At the discretion of the Administrator and to the extent an Award Agreement so provides, all or a portion of the Exercise Price or Purchase Price may be paid by any other form of consideration and method of payment to the extent permitted by Applicable Law.

10. Non-transferability of Awards. Unless otherwise determined by the Administrator and so provided in the applicable Award Agreement (or be amended to provide), no Award shall be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner (whether by operation of law or otherwise) other than by will or applicable laws of descent and distribution or (except in the case of an Incentive Stock Option) pursuant to a domestic relations order, and shall not be subject to execution, attachment, or similar process, and each Award may be exercised, during the lifetime of the Participant only by the Participant. In the event the Administrator in its sole discretion makes a Non-statutory Stock Option or Share Purchase Right transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate. Upon any attempt to pledge, assign, hypothecate, transfer, or otherwise dispose of any Award or of any right or privilege conferred by this Plan contrary to the provisions hereof, or upon the sale, levy or attachment or similar process upon the rights and privileges conferred by this Plan, such Award shall thereupon terminate and become null and void.

11. Rights as a Member. Until the Shares actually are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a Member shall exist with respect to the Shares, notwithstanding the exercise of the Award. Subject to the terms and conditions of this Plan and the written agreement governing the Award, a Participant who is a Member will have all of the rights of a shareholder of the Company with respect to the Shares from and after the date that Shares are issued until such time as the Shares are disposed or the Company and/or its assignee(s) exercise(s) the Repurchase Option or the right of first refusal. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 12 of the Plan.

12. Adjustment of Shares.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, share split, reverse share split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, may (in its sole discretion) adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction and the Participant shall have the right to exercise its Awards until fifteen (15) days prior to the proposed dissolution or liquidation. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a scheme of arrangement, merger, consolidation or other similar business combination being entered into by the Company, or a Change in Control, unless the Award Agreement provides otherwise, each outstanding Award, and, if applicable, each right of the Company to repurchase or redeem Restricted Shares acquired pursuant thereto, will be assumed or an equivalent award substituted by the successor corporation (which for purposes of this Section 12(c) shall include the "person" referenced in Section 2 and the ultimate parent of the party acquiring all or substantially all of the assets of the Company in accordance with Section 2 or a parent or subsidiary of the successor corporation). In the event that the successor corporation in a scheme of arrangement, merger, consolidation or other similar business combination or Change in Control refuses to assume or substitute for an Award and, if applicable, the repurchase or redemption right with respect to Restricted Shares acquired pursuant thereto is not assigned, then the Participant will fully vest in and have the right to exercise the Award as to all of the Shares subject thereto, including Shares as to which it would not otherwise be vested or exercisable, and all restrictions on Restricted Shares will lapse. If an Award is not assumed or substituted in the event of a scheme of arrangement, merger, consolidation or other similar business combination or Change in Control, the Administrator will notify the Participant in writing or electronically that the Award will be exercisable for a period of time as determined by the Administrator, and the Award will terminate upon expiration of such period for no consideration, unless otherwise determined by the Administrator.

For purposes of this Section 12(c), an Option shall be considered assumed, and each right of the Company to repurchase or redeem Restricted Shares will be considered assigned if, following the scheme of arrangement, merger, consolidation or other similar business combination or Change in Control, the Award confers the right to purchase or receive, for each covered Share immediately prior to the scheme of arrangement, merger, consolidation or other similar business combination or Change in Control, the consideration (whether shares, cash, or other securities or property) received in connection with the scheme of arrangement, merger, consolidation or other similar business combination or Change in Control by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if the consideration received in the scheme of arrangement, merger, consolidation or other similar business combination or Change in Control is not solely common stock or ordinary shares of the successor corporation or its parent or subsidiary, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or vesting of the Restricted Shares, for each covered Share, to be solely common stock or ordinary shares of the successor corporation or its parent or subsidiary equal in Fair Market Value to the per Share consideration received by holders of Shares in the scheme of arrangement, merger, consolidation or other similar business combination or Change in Control.

(d) Reservation of Rights. Except as provided in this Section 12 and in the applicable Award Agreement, a Participant shall have no rights by reason of (i) any subdivision or consolidation of Shares or other securities of any class, (ii) the payment of any dividend, or (iii) any other increase or decrease in the number of Shares or other securities of any class. Any issuance by the Company of equity securities of any class, or securities convertible into equity securities of any class, shall not affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price or Purchase Price of Shares subject to an Award. The grant of an Option or Share Purchase Right shall not affect in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure, to merge or consolidate or to dissolve, liquidate, sell, or transfer all or any part of its business or assets.

13. Leaves of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence.

(a) A Service Provider will not cease to be an Employee in the case of (i) any leave of absence approved by the Company, its Parent or any Subsidiary or (ii) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

(b) For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three (3) months following the 91st day of such leave, any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Non-statutory Stock Option.

14. Date of Grant. The Date of Grant of an Award shall, for all purposes, be the date on which the Award Agreement is duly executed and delivered by the Company and the Participant, or such other later date as is determined by the Administrator; provided, however, that the Date of Grant of an Incentive Stock Option shall be no earlier than the date on which the individual becomes an Employee.

15. Securities Law Requirements Legal Compliance. Notwithstanding any other provision of the Plan or any agreement entered into by the Company pursuant to the Plan, the Company shall not be obligated, and shall have no liability for failure to deliver any Shares under the Plan unless the issuance and delivery of Shares comply with (or are exempt from) all Applicable Law, including, without limitation, the Securities Act, U.S. state securities laws and regulations, and the regulations of any stock exchange or other securities market on which the Company's securities may then be traded, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(a) Investment Representations. Shares delivered under the Plan shall be subject to transfer restrictions, and the person acquiring the Shares shall, as a condition to the exercise of an Option or the purchase of Restricted Shares if requested by the Company, provide such assurances and representations to the Company as the Company may deem necessary or desirable to assure compliance with Applicable Law, including, without limitation, the representation and warranty at the time of acquisition of Shares that the Shares are being acquired only for investment purposes and without any present intention to sell, transfer, or distribute the Shares.

(b) [Reserved].

16. Inability to Obtain Authority. The inability of the Company, a Parent or a Subsidiary to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained. In addition, the inability of a Participant who is a resident of the People's Republic of China to obtain authority (including approval and registration) from relevant regulatory bodies of the People's Republic of China, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company, any Parent and any Subsidiary of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained, and under this circumstance, the Company, at its sole discretion and upon the written request from the Participant, may compensate the Participant in cash in the amount of the difference of the Exercise Price and the Fair Market Value of such Shares, as if the Participant has exercised his/her Options and sold the Shares upon exercise of the Options back to the Company. For the avoidance of doubt, under the circumstance that the Fair Market Value of each Share is lower than the Exercise Price, the Company shall not compensate the Participant. And if the inability is revealed or occurs after such Shares have been issued or sold by the Company, the inability shall entitle the Company to redeem or request the Participant, based on the Fair Market Value, to transfer the Shares so issued on such terms as the Administrator determines, subject to Applicable Law. The Company, any Parent and any Subsidiary shall be relieved from any liability for the redemption and the request for transfer.

17. Duration and Amendment Term of Plan. The Plan shall become effective upon the occurrence of its adoption by the Board. Unless sooner terminated under Section 17 hereof, the Plan shall continue in effect for a term of ten (10) years.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend, or terminate the Plan.

(b) Approval by Members. The Administrator shall obtain approval of the Members of any Plan amendment to the extent necessary or desirable to comply with Applicable Law.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan shall materially and adversely impair the rights of any Participant with respect to an outstanding Award, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination. No Shares shall be issued or sold under the Plan after the termination thereof, except upon exercise of an Award granted prior to the termination of the Plan.

18. Legending Share Certificates. In order to enforce any restrictions imposed upon Shares issued upon the exercise of Options or the acquisition of Restricted Shares, including, without limitations, the restrictions described in Sections 6(i), 7(d), and 15(b) hereof, the Administrator may cause a legend or legends to be placed on any share certificates representing the Shares, which legend or legends shall make appropriate reference to the restrictions, including, without limitation, a restriction against sale of the Shares for any period as may be required by Applicable Law.

19. No Retention Rights. Neither the Plan nor any Award shall confer upon any Participant any right to continue his or her relationship as a Service Provider with the Company for any period of specific duration or interfere in any way with his or her right or the right of the Company (or any Parent or Subsidiary employing or retaining the Participant), which rights are hereby expressly reserved by each, to terminate this relationship at any time, with or without cause, and with or without notice.

20. No Fund Created. Neither the Plan nor any Award shall create or be construed to create separate fund of any kind or a fiduciary relationship between the Company or any Parent or Subsidiary and a Participant or any other person. To the extent that any Participant acquires a right to receive payments from the Company or any Parent or Subsidiary pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company, a Parent, or any Subsidiary.

21. No Rights to Awards. No Participant, eligible Service Provider, or other person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Service Providers, Participants, or holders or beneficiaries of Awards under the Plan. The terms and conditions of Awards need not be the same with respect to any Participant or with respect to different Participants.

22. Market Stand-Off Period. The Participant agrees that unless otherwise with a written consent of the Company, the Participant shall not directly or indirectly sell or transfer any Award Shares acquired under the Award Agreement during the Market Stand-Off Period.

23. Approval by the Board. The Plan shall be subject to approval by the Board. Such Board's approval shall be obtained in the degree and manner required under Applicable Law.

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Exhibit 10.3

FORM OF INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT, dated as of (this "Agreement"),

BETWEEN:

(1) QUANTASING GROUP LIMITED, a company organized under the laws of the Cayman Islands (the "Company"); and

(2) (the "Indemnitee").

WHEREAS, the Company wishes for the Indemnitee to serve on its Board of Directors (the "Board") or as an officer of the Company and wishes to provide the Indemnitee with specific contractual assurance of the Indemnitee's rights to indemnification against litigation risks and expenses arising from his position as a Director or Officer (as defined below) to the full extent permitted by applicable law;

WHEREAS, in order to induce and encourage highly experienced and capable persons such as the Indemnitee to serve as a Director or Officer of the Company, the Board of Directors has determined, that this Agreement is not only reasonable and prudent, but necessary to promote and ensure the best interests of the Company and its shareholders; and

WHEREAS, the Indemnitee is relying upon the rights afforded under this Agreement in serving as a Director or Officer.

NOW, THEREFORE, in consideration of the premises, covenants and agreements contained herein, the Company and Indemnitee do hereby agree as follows:

1. INTERPRETATION

1.1 In this Agreement unless the context otherwise requires, the following words and expressions shall have the following meanings:

"Business Day"	means any day, except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the People's Republic of China, Hong Kong or the British Virgin Islands, the Cayman Islands, the United States are generally authorized or required by law or governmental action to close.
"Corporate Status"	means the status of a person who is or was a director, officer, employee, agent, or fiduciary of the Company or any other Group Company, or is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary of any other company, corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other entity or enterprise.
"Director"	means a member of the Board.

"Disinterested Director"	means a Director of the Company who is not or was not a party to a Proceeding in respect of which indemnification is sought by Indemnitee.
"Disinterested Shareholder"	means a Shareholder of the Company who is not or was not a party to a proceeding in respect of which indemnification is sought by the Indemnitee.
"Expenses"	means all fees, costs and expenses incurred in connection with any Proceeding (as defined below), including, without limitation, reasonable attorneys' fees, disbursements and retainers (including, without limitation, any such fees, disbursements and retainers incurred by the Indemnitee pursuant to clause 6 of this Agreement), fees and disbursements of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), court costs, transcript costs, fees of experts, travel expenses, duplicating, printing and binding costs, telephone and fax transmission charges, postage, delivery services, secretarial services and other disbursements and expenses.
"Group Companies"	means the Company, each subsidiary of the Company, and each variable interest entity of the Company and each of its subsidiaries (wherever incorporated or organized).
"Independent Counsel"	means a law firm, or a member of a law firm, who is experienced in matters of corporation law and neither is presently, nor in the past five years has been, retained to represent: (i) the Company or the Indemnitee in any matter material to either such party; or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's right to indemnification under this Agreement.
"Officer"	means an officer of the Company.
"Parties"	means the parties to this Agreement, together, and "Party" means any one of them.
"Proceeding"	means any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, investigation, administrative hearing, appeal or any other proceeding whether civil, criminal, administrative, arbitrative or investigative, and whether formal or informal, including any proceeding initiated by Indemnitee pursuant to clause 6 of this Agreement to enforce the Indemnitee's rights hereunder.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 references to statutory provisions shall be construed as references to those provisions as amended or re-enacted, or as their application is modified by other provisions from time to time, and shall include references to any provisions of which they are re-enactments (whether with or without modification);

1.2.2 references to clauses are references to clauses hereof; references to sub-clauses are, unless otherwise stated, references to sub-clauses of the clause in which the reference appears;

1.2.3 references to the singular shall include the plural and vice versa, and references to the masculine shall include the feminine and/or neuter and vice versa; and

1.2.4 references to "persons" shall include companies, partnerships, associations and bodies of persons, whether incorporated or unincorporated.

2. AGREEMENT TO SERVE

In consideration of the Company's covenants and commitments hereunder, Indemnitee agrees to serve as a Director or Officer of the Company (as applicable). This Agreement does not create or otherwise establish any right or obligation on the part of Indemnitee to be, or to continue to be elected or appointed, a Director or Officer of the Company or any other Group Company, and does not create an employment contract between the Company and Indemnitee.

3. INDEMNITY OF DIRECTOR/OFFICER

3.1 Subject to clause 10, the Company shall indemnify Indemnitee if Indemnitee was or is a party, or is threatened to be made a party, to any Proceeding, including a Proceeding brought by or in the right of the Company, by reason of Indemnitee's Corporate Status or by reason of anything done or not done by Indemnitee in such capacity. Subject to clause 10, pursuant to this sub-clause 3.1, Indemnitee shall be indemnified against: (i) all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf; and (ii) all liabilities, judgments, penalties, fines and amounts paid in settlement, in each case in connection with such Proceeding (including, but not limited to, the investigation, defense, settlement or appeal thereof).

3.2 Notwithstanding any other provision of this Agreement other than clause 10, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in defending any Proceedings referred to in clause 3.1 in which judgment is given in his favor or in which he is acquitted.

3.3 Subject to clause 10, the Company shall indemnify Indemnitee for such portion of the Expenses, witness fees, liabilities, damages, judgments, fines and amounts paid in settlement, and any other amounts that Indemnitee becomes legally obligated to pay in connection with any Proceeding referred to in clause 3.1, in respect of which Indemnitee is entitled to indemnification hereunder, even if Indemnitee is not entitled to indemnification hereunder for the total amount thereof.

4. INDEMNIFICATION FOR EXPENSES OF A WITNESS

Subject to clause 10, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness in any Proceeding, Indemnitee shall be indemnified by the Company against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

5. DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

5.1 The Indemnitee shall request indemnification pursuant to this Agreement by notice in writing to the secretary or the chief executive officer of the Company. The secretary or chief executive officer shall, promptly upon receipt of Indemnitee's request for indemnification, advise in writing the Board or such other person or persons empowered to make the determination as provided in sub-clause 5.2 that Indemnitee has made such request for indemnification. Subject to clause 10, upon making such request for indemnification, Indemnitee shall be presumed to be entitled to indemnification hereunder, and the Company shall have the burden of proof in the making of any determination contrary to such presumption.

5.2 Upon written request by Indemnitee for indemnification pursuant to sub-clause 3.1, the entitlement of the Indemnitee to indemnification pursuant to the terms of this Agreement shall be determined by the following person or persons, who shall be empowered to make such determination:

5.2.1 the Board, by a majority vote of the Disinterested Directors; or

5.2.2 if such vote is not obtainable or, even if obtainable, if such Disinterested Directors so direct by majority vote, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or

5.2.3 by a majority vote of Disinterested Shareholders.

5.3 For purposes of sub-clause 5.2, Independent Counsel shall be selected by the Board and approved by Indemnitee. Upon failure of the Board to so select such Independent Counsel, or upon failure of Indemnitee to so approve, such Independent Counsel shall be selected by a single arbitrator pursuant to the rules of the International Court of Arbitration of the International Chamber of Commerce. Such determination of entitlement to indemnification shall be made not later than twenty days after receipt by the Company of a written request for indemnification. Such request shall include the documentation and information that is necessary for such determination, and which is reasonably available to Indemnitee. Subject to clause 10, any Expenses incurred by Indemnitee in connection with Indemnitee's request for indemnification hereunder shall be borne by the Company, irrespective of the outcome of the determination of Indemnitee's entitlement to indemnification. If the person or persons making such determination shall determine that Indemnitee is entitled to indemnification as to a portion (but not all) of the application for indemnification, such persons may reasonably prorate such partial indemnification among such claims, issues or matters in respect of which indemnification is requested.

6. ADVANCEMENT OF EXPENSES

All reasonable Expenses incurred by Indemnitee (including attorneys' fees, retainers and advances of disbursements required of Indemnitee) shall be paid by the Company in advance of the final disposition of any Proceeding at the request of Indemnitee as promptly as possible, and in any event within twenty business days after the receipt by the Company of a statement or statements from Indemnitee, requesting such advance or advances from time to time. Expenses for which Indemnitee is entitled to indemnification hereunder include, among others, those incurred in connection with any Proceeding brought by Indemnitee seeking an adjudication or award in arbitration pursuant to this Agreement. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee in connection therewith and shall include or be accompanied by an undertaking by or on behalf of Indemnitee to repay such amount if it is ultimately determined that Indemnitee is not entitled to be indemnified against such Expenses by the Company, pursuant to this Agreement or otherwise. Subject to clause 10, the Company shall have the burden of proof in any determination under this clause 6. No amounts advanced hereunder shall be deemed an extension of credit by the Company to Indemnitee.

7. REMEDIES OF INDEMNITEE IN CASES OF DETERMINATION NOT TO INDEMNIFY OR TO ADVANCE EXPENSES

7.1 In the event that: (a) a determination is made that Indemnitee is not entitled to indemnification hereunder; (b) payment has not been timely made following a determination of entitlement to indemnification pursuant to clause 5; or (c) Expenses are not advanced pursuant to clause 6, Indemnitee shall be entitled to petition any court of competent jurisdiction for a determination of Indemnitee's entitlement to such indemnification or advance.

7.2 Alternatively to sub-clause 7.1, Indemnitee, at Indemnitee's option, may seek an award in arbitration to be conducted by the Hong Kong International Arbitration Centre for arbitration in Hong Kong. The arbitration shall be conducted in accordance with the HKIAC Administered Arbitration Rules in force at the time of the initiation of the arbitration, which rules are deemed to be incorporated by reference into this subsection. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

7.3 A judicial proceeding or arbitration pursuant to this clause 7 shall be made de novo and Indemnitee shall not be prejudiced by reason of a determination otherwise made hereunder (if so made) that Indemnitee is not entitled to indemnification. Subject to clause 10, if a determination is made pursuant to the terms of clause 5 that Indemnitee is entitled to indemnification, the Company shall be bound by such determination and is precluded from asserting that such determination has not been made or that the procedure by which such determination was made is not valid, binding or enforceable. If the court or arbitrator shall determine that Indemnitee is entitled to any indemnification hereunder, the Company shall pay all reasonable Expenses (including attorneys' fees and disbursements) actually incurred by Indemnitee in connection with such adjudication or arbitration (including, but not limited to, any appellate proceedings).

8. OTHER RIGHTS TO INDEMNIFICATION

The indemnification and advancement of Expenses (including attorneys' fees) provided by this Agreement shall not be deemed exclusive of any other right to which Indemnitee may now or in the future be entitled under any provision of the Company's articles of association, any agreement, vote of shareholders, the Board or Disinterested Directors, provision of law, or otherwise; provided, however, that: (a) this Agreement supersedes any other agreement that has been entered into by the Company with the Indemnitee which has as its principal purpose the indemnification of Indemnitee; and (b) where the Company may indemnify the Indemnitee pursuant to either this Agreement or the articles of association of the Company, the Company may indemnify the Indemnitee under either this Agreement or the articles of association, but the Indemnitee shall, in no case, be indemnified by the Company in respect of any Expense, liability or cost of any type, in each case for which payment has been actually made to Indemnitee under any insurance policy, indemnity clause, article, by-law or agreement, except in respect of any Expenses in excess of the actual payment made.

9. ATTORNEYS' FEES AND OTHER EXPENSES TO ENFORCE AGREEMENT

In the event that Indemnitee is subject to or intervenes in any Proceeding in which the validity or enforceability of this Agreement is at issue, or seeks an adjudication or award in arbitration to enforce Indemnitee's rights under, or to recover damages for breach of, this Agreement, Indemnitee, if Indemnitee prevails in whole or in part in such action, shall be entitled to recover from the Company, and shall be indemnified by the Company against, any actual Expenses for attorneys' fees and disbursements reasonably incurred by Indemnitee, provided that in bringing such action, Indemnitee acted in good faith.

10. LIMITATION OF INDEMNIFICATION

Notwithstanding any other terms of this Agreement, nothing herein shall require the Company to indemnify the Indemnitee against any liability arising directly as a result of fraud or dishonesty by the Indemnitee, violate of any applicable laws and regulations or breach of its fiduciary duties, as determined in a final judgment of a court or arbitral body of competent jurisdiction.

11. LIABILITY INSURANCE

To the extent the Company maintains an insurance policy or policies providing directors' and officers' liability insurance, Indemnitee shall be covered by such policy or policies, in accordance with its or their terms, to the maximum extent of the coverage available for any Company director or officer.

12. DURATION OF AGREEMENT

This Agreement shall apply with respect to Indemnitee's occupation of any of the position(s) described in the definition of "Corporate Status" in sub-clause 1.1 hereof: (i) prior to the date of this Agreement; and (ii) with respect to all periods of such service from and after the date of this Agreement, even if the Indemnitee shall have ceased to occupy such positions(s).

13. NOTICE OF PROCEEDINGS BY INDEMNITEE

13.1 Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding which may be subject to indemnification hereunder; provided, however, that the failure to so notify the Company will not relieve the Company from any liability it may have to Indemnitee, except to the extent that such failure materially prejudices the Company's ability to defend such claim. With respect to any such Proceeding as to which Indemnitee notifies the Company of the commencement thereof:

13.1.1 the Company will be entitled to participate therein at its own expense; and

13.1.2 except as otherwise provided below, to the extent that it may wish, the Company, jointly with any other indemnifying party similarly notified, will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Indemnitee. After notice from the Company to Indemnitee of its election so to assume the defense thereof, the Company will not be liable to Indemnitee under this Agreement for any legal or other expenses subsequently incurred by Indemnitee in connection with the defense thereof, other than reasonable costs of investigation or as otherwise provided below. Indemnitee shall have the right to employ Indemnitee's own counsel in such Proceeding, but the fees and expenses of such counsel incurred after notice from the Company of its assumption of the defense thereof shall be at the expense of Indemnitee and not subject to indemnification hereunder, unless (a) the employment of counsel by Indemnitee has been authorized by the Company; (b) in the reasonable opinion of counsel to Indemnitee, there is or may be a conflict of interest between the Company and Indemnitee in the conduct of the defense of such Proceeding; or (c) the Company shall not in fact have employed counsel to assume the defense of such action, in each of which cases, subject to clause 10, the fees and expenses of counsel shall be borne by the Company.

13.2 Neither the Company nor the Indemnitee shall settle any claim without the prior written consent of the other (which shall not be unreasonably withheld).

14. NOTICES

Any notice required to be given hereunder shall be in writing in the English language and shall be served by sending the same by prepaid recorded post, facsimile or by delivering the same by hand to the address of the Party or Parties in question as set out below (or such other address as such Party or Parties shall notify the other Parties of in accordance with this clause). Any notice sent by post as provided in this clause shall be deemed to have been served five Business Days after dispatch, and any notice sent by facsimile as provided in this clause shall be deemed to have been served at the time of dispatch; and in proving the service of the same, it will be sufficient to prove in the case of a letter that such letter was properly stamped, addressed and placed in the post; and in the case of a facsimile, that such facsimile was duly dispatched to a current facsimile number of the addressee.

Company
Attn: Chief executive officer
Address:
Room 710, 5/F, Building No. 1, Zone No. 1, Ronghe Road
Chaoyang District, Beijing
Email:

Indemnitee
Name:
Address:
Email:

15. MISCELLANEOUS

15.1 Notwithstanding any expiration or termination of this Agreement, such expiration or termination shall not operate to affect such of the provisions hereof as are expressed or intended to remain in full force and effect.

15.2 If any of the clauses, conditions, covenants or restrictions of this Agreement or any deed or document emanating from it shall be found to be void but would be valid if some part thereof were deleted or modified, then such clause, condition, covenant or restriction shall apply with such deletion or modification as may be necessary to make it valid and effective so as to give effect as nearly as possible to the intent manifested by such clause, condition, covenant or restriction.

15.3 This Agreement shall be binding upon the Company and its successors and assigns (including any transferee of all or substantially all of its assets and any successor or resulting company by merger, amalgamation or operation of law) and shall inure to the benefit of Indemnitee and Indemnitee’s spouse, assigns, heirs, estate, devises, executors, administrators or other legal representatives.

15.4 This Agreement constitutes the whole agreement between the Parties relating to its subject matter and supersedes any prior indemnification arrangement between the Company and Indemnitee.

15.5 No provision in this Agreement may be amended unless such amendment is agreed to in writing, signed by the Indemnitee and by a duly authorized officer of the Company. No waiver by either Party of any breach by the other Party of any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the Indemnitee or a duly authorized officer of the Company, as the case may be.

15.6 The headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.

15.7 This Agreement may be executed in counterparts, each of which, when executed and delivered, shall constitute an original, and all such counterparts together shall constitute one and the same instrument.

15.8 The terms and conditions of this Agreement and the rights of the parties hereunder shall be governed by and construed in all respects in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China (the "Hong Kong").

IN WITNESS WHEREOF, the parties have executed this Indemnification Agreement as of the date first written above.

INDEMNITEE

_____
Name:

QUANTASING GROUP LIMITED

_____
Name:
Title:

Exhibit 10.4

FORM OF EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (the "**Agreement**") is entered into as of by and between QuantaSing Group Limited (the "**Company**"), an exempted company duly incorporated and validly existing under the law of the Cayman Islands, and ([Passport/ID] Number), an individual (the "**Executive**"). The term "Company" as used herein with respect to all obligations of the Executive hereunder shall be deemed to include the Company and all of its direct or indirect parent companies, subsidiaries, affiliates, or subsidiaries or affiliates of its parent companies (collectively, the "**Group**").

RECITALS

A. The Company desires to employ the Executive and to assure itself of the services of the Executive during the term of Employment (as defined below).

B. The Executive desires to be employed by the Company during the term of Employment and under the terms and conditions of this Agreement.

AGREEMENT

The parties hereto agree as follows:

1. POSITION

The Executive hereby accepts a position of (the "**Employment**") of the Company.

2. TERM

Subject to the terms and conditions of this Agreement, the initial term of the Employment shall be years, commencing on , 2022 (the "**Effective Date**"), until , 2022 unless terminated earlier pursuant to the terms of this Agreement. Upon expiration of the initial -year term, the Employment shall be automatically extended for successive one-year terms unless either party gives the other party hereto a prior written notice to terminate the Employment prior to the expiration of such one-year term or unless terminated earlier pursuant to the terms of this Agreement.

3. DUTIES AND RESPONSIBILITIES

The Executive's duties at the Company will include all jobs assigned by the Company's Chief Executive Officer. If the Executive is the Chief Executive Officer of the Company, the Executive's duties will include all jobs assigned by the Board of Directors of the Company (the "**Board**").

The Executive shall devote all of his/her working time, attention and skills to the performance of his/her duties at the Company and shall faithfully and diligently serve the Company in accordance with this Agreement and the guidelines, policies and procedures of the Company approved from time to time by the Board.

The Executive shall use his/her best efforts to perform his/her duties hereunder. The Executive shall not, without the prior written consent of the Board, become an employee of any entity other than the Company and any subsidiary or affiliate of the Company, and shall not be concerned or interested in the business or entity that competes with that carried on by the Company (any such business or entity, a "**Competitor**"), provided that nothing in this clause shall preclude the Executive from holding any shares or other securities of any Competitor that is listed on any securities exchange or recognized securities market anywhere. The Executive shall notify the Company in writing of his/her interest in such shares or securities in a timely manner and with such details and particulars as the Company may reasonably require.

4. NO BREACH OF CONTRACT

The Executive hereby represents to the Company that: (i) the execution and delivery of this Agreement by the Executive and the performance by the Executive of the Executive's duties hereunder shall not constitute a breach of, or otherwise contravene, the terms of any other agreement or policy to which the Executive is a party or otherwise bound, except for agreements that are required to be entered into by and between the Executive and any member of the Group pursuant to applicable law of the jurisdiction where the Executive is based, if any; (ii) that the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other person or entity which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his/her duties hereunder; and (iii) that the Executive is not bound by any confidentiality, trade secret or similar agreement (other than this) with any other person or entity except for other member(s) of the Group, as the case may be.

5. LOCATION

The Executive will be based in , China or any other location as requested by the Company during the term of this Agreement.

6. COMPENSATION AND BENEFITS

a) **Cash Compensation.** The Executive's cash compensation (inclusive of the statutory welfare reserves that the Company is required to set aside for the Executive under applicable law) shall be provided by the Company pursuant to Schedule A hereto, subject to annual review and adjustment by the Company or the compensation committee of the Board (or the Board itself, before the formation of the compensation committee).

b) **Equity Incentives.** To the extent the Company adopts and maintains a share incentive plan, the Executive will be eligible for participating in such plan pursuant to the terms thereof as determined by the Company.

c) **Benefits.** The Executive is eligible for participation in any standard employee benefit plan of the Company that currently exists or may be adopted by the Company in the future, including, but not limited to, any retirement plan, and travel/holiday policy.

7. TERMINATION OF THE AGREEMENT

a) **By the Company.** The Company may terminate the Employment for cause, at any time, without advance notice or remuneration, if (i) the Executive is convicted or pleads guilty to a felony or to an act of fraud, misappropriation or embezzlement, (ii) the Executive has been negligent or acted dishonestly to the detriment of the Company, (iii) the Executive has engaged in actions amounting to misconduct or failed to perform his/her duties hereunder and such failure continues after the Executive is afforded a reasonable opportunity to cure such failure, (iv) the Executive has died, or (v) the Executive has a disability which shall mean a physical or mental impairment which, as reasonably determined by the Board, renders the Executive unable to perform the essential functions of his/her employment with the Company, even with reasonable accommodation that does not impose an undue hardship on the Company, for more than 180 days in any 12-month period, unless a longer period is required by applicable law, in which case that longer period would apply.

In addition, the Company may terminate the Employment without cause, at any time, upon one-month prior written notice to the Executive. Upon termination without cause, the Company shall provide the Executive with a severance payment in cash in an amount equal to the Executive's 3-month salary at the then current rate. Under such circumstance, the Executive agrees not to make any further claims for compensation for loss of office, accrued remuneration, fees, wrongful dismissal or any other claim whatsoever against the Company or its subsidiaries or the respective officers or employees of any of them**.**

b) **By the Executive.** If there is a material and substantial reduction in the Executive's existing authority and responsibilities, the Executive may resign upon one-month prior written notice to the Company. In addition, the Executive may resign prior to the expiration of the Agreement if such resignation is approved by the Board or an alternative arrangement with respect to the Employment is agreed to by the Board.

c) **Notice of Termination.** Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from the terminating party to the other party. The notice of termination shall indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

8. CONFIDENTIALITY AND NONDISCLOSURE

a) **Confidentiality and Non-disclosure.** In the course of the Executive's services, the Executive may have access to the Company and/or the Company's customer/supplier's and/or prospective customer/supplier's trade secrets and confidential information, including but not limited to those embodied in memoranda, manuals, letters or other documents, computer disks, tapes or other information storage devices, hardware, or other media or vehicles, pertaining to the Company and/or the Company's customer/supplier's and/or prospective customer/supplier's business. All such trade secrets and confidential information are considered confidential. All materials containing any such trade secret and confidential information are the property of the Company and/or the Company's customer/supplier and/or prospective customer/supplier, and shall be returned to the Company and/or the Company's customer/supplier and/or prospective customer/supplier upon expiration or earlier termination of this Agreement. The Executive shall not directly or indirectly disclose or use any such trade secret or confidential information, except as required in the performance of the Executive's duties in connection with the Employment, or pursuant to applicable law.

b) **Trade Secrets.** During and after the Employment, the Executive shall hold the Trade Secrets in strict confidence; the Executive shall not disclose these Trade Secrets to anyone except other employees of the Company who have a need to know the Trade Secrets in connection with the Company's business. The Executive shall not use the Trade Secrets other than for the benefits of the Company.

"Trade Secrets" means information deemed confidential by the Company, treated by the Company or which the Executive know or ought reasonably to have known to be confidential, and trade secrets, including without limitation designs, processes, pricing policies, methods, inventions, conceptions, technology, technical data, financial information, corporate structure and know-how, relating to the business and affairs of the Company and its subsidiaries, affiliates and business associates, whether embodied in memoranda, manuals, letters or other documents, computer disks, tapes or other information storage devices, hardware, or other media or vehicles. Trade Secrets do not include information generally known or released to public domain through no fault of yours.

c) **Former Employer Information.** The Executive agrees that he or she has not and will not, during the term of his/her employment, (i) improperly use or disclose any proprietary information or trade secrets of any former employer or other person or entity with which the Executive has an agreement or duty to keep in confidence information acquired by Executive, if any, or (ii) bring into the premises of Company any document or confidential or proprietary information belonging to such former employer, person or entity unless consented to in writing by such former employer, person or entity. The Executive will indemnify the Company and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation of the foregoing.

d) **Third Party Information.** The Executive recognizes that the Company may have received, and in the future may receive, from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. The Executive agrees that the Executive owes the Company and such third parties, during the Executive's employment by the Company and thereafter, a duty to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person or firm and to use it in a manner consistent with, and for the limited purposes permitted by, the Company's agreement with such third party.

This Section 8 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 8, the Company shall have right to seek remedies permissible under applicable law.

9. INVENTIONS

a) **Inventions Retained and Licensed.** The Executive has attached hereto, as Schedule B, a list describing all inventions, ideas, improvements, designs and discoveries, whether or not patentable and whether or not reduced to practice, original works of authorship and trade secrets made or conceived by or belonging to the Executive (whether made solely by the Executive or jointly with others) that (i) were developed by Executive prior to the Executive's employment by the Company (collectively, "**Prior Inventions**"), (ii) relate to the Company' actual or proposed business, products or research and development, and (iii) are not assigned to the Company hereunder; or, if no such list is attached, the Executive represents that there are no such Prior Inventions. Except to the extent set forth in Schedule B, the Executive hereby acknowledges that, if in the course of his/her service for the Company, the Executive incorporates into a Company product, process or machine a Prior Invention owned by the Executive or in which he has an interest, the Company is hereby granted and shall have a nonexclusive, royalty-free, irrevocable, perpetual, worldwide right and license (which may be freely transferred by the Company to any other person or entity) to make, have made, modify, use, sell, sublicense and otherwise distribute such Prior Invention as part of or in connection with such product, process or machine.

b) **Disclosure and Assignment of Inventions.** The Executive understands that the Company engages in research and development and other activities in connection with its business and that, as an essential part of the Employment, the Executive is expected to make new contributions to and create inventions of value for the Company.

From and after the Effective Date, the Executive shall disclose in confidence to the Company all inventions, improvements, designs, original works of authorship, formulas, processes, compositions of matter, computer software programs, databases, mask works and trade secrets (collectively, the "**Inventions**"), which the Executive may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during the period of the Executive's Employment at the Company. The Executive acknowledges that copyrightable works prepared by the Executive within the scope of and during the period of the Executive's Employment with the Company are "works for hire" and that the Company will be considered the author thereof. The Executive agrees that all the Inventions shall be the sole and exclusive property of the Company and the Executive hereby assign all his/her right, title and interest in and to any and all of the Inventions to the Company or its successor in interest without further consideration.

c) **Patent and Copyright Registration.** The Executive agrees to assist the Company in every proper way to obtain for the Company and enforce patents, copyrights, mask work rights, trade secret rights, and other legal protection for the Inventions. The Executive will execute any documents that the Company may reasonably request for use in obtaining or enforcing such patents, copyrights, mask work rights, trade secrets and other legal protections. The Executive's obligations under this paragraph will continue beyond the termination of the Employment with the Company, provided that the Company will reasonably compensate the Executive after such termination for time or expenses actually spent by the Executive at the Company's request on such assistance. The Executive appoints the Secretary of the Company as the Executive's attorney-in-fact to execute documents on the Executive's behalf for this purpose.

d) **Return of Confidential Material.** In the event of the Executive's termination of employment with the Company for any reason whatsoever, Executive agrees promptly to surrender and deliver to the Company all records, materials, equipment, drawings, documents and data of any nature pertaining to any confidential information or to his/her employment, and Executive will not retain or take with him or her any tangible materials or electronically stored data, containing or pertaining to any confidential information that Executive may produce, acquire or obtain access to during the course of his/her employment.

This Section 9 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 9, the Company shall have right to seek remedies permissible under applicable law.

10. CONFLICTING EMPLOYMENT.

The Executive hereby agrees that, during the term of his/her employment with the Company, he will not engage in any other employment, occupation, consulting or other business activity related to the business in which the Company is now involved or becomes involved during the term of the Executive's employment, nor will the Executive engage in any other activities that conflict with his/her obligations to the Company without the prior written consent of the Company.

11. NON-COMPETITION AND NON-SOLICITATION

In consideration of the compensation provided to the Executive by the Company hereunder, the adequacy of which is hereby acknowledged by the parties hereto, the Executive agree that during the term of the Employment and for a period of *two* years following the termination of the Employment for whatever reason:

a) The Executive will not approach clients, customers or contacts of the Company or other persons or entities introduced to the Executive in the Executive's capacity as a representative of the Company for the purposes of doing business with such persons or entities which will harm the business relationship between the Company and such persons and/or entities;

b) unless expressly consented to by the Company, the Executive will not assume employment with or provide services as a director or otherwise for any Competitor, or engage, whether as principal, partner, licensor or otherwise, in any Competitor; and

c) unless expressly consented to by the Company, the Executive will not seek directly or indirectly, by the offer of alternative employment or other inducement whatsoever, to solicit the services of any employee of the Company employed as at or after the date of such termination, or in the year preceding such termination.

The provisions contained in Section 11 are considered reasonable by the Executive and the Company. In the event that any such provisions should be found to be void under applicable laws but would be valid if some part thereof was deleted or the period or area of application reduced, such provisions shall apply with such modification as may be necessary to make them valid and effective.

This Section 11 shall survive the termination of this Agreement for any reason. In the event the Executive breaches this Section 11, the Executive acknowledges that there will be no adequate remedy at law, and the Company shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper (including monetary damages if appropriate). In any event, the Company shall have right to seek all remedies permissible under applicable law.

12. WITHHOLDING TAXES

Notwithstanding anything else herein to the contrary, the Company may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such national, provincial, local or any other income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

13. ASSIGNMENT

This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided, however, that (i) the Company may assign or transfer this Agreement or any rights or obligations hereunder to any member of the Group without such consent, and (ii) in the event of a merger, consolidation, or transfer or sale of all or substantially all of the assets of the company with or to any other individual(s) or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder.

14. SEVERABILITY

If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provisions or applications and to this end the provisions of this Agreement are declared to be severable.

15. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement and understanding between the Executive and the Company regarding the terms of the Employment and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The Executive acknowledges that he has not entered into this Agreement in reliance upon any representation, warranty or undertaking which is not set forth in this Agreement. Any amendment to this Agreement must be in writing and signed by the Executive and the Company.

16. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of the State of New York, USA, without regard to the conflicts of law principles.

17. AMENDMENT

This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by both of the parties hereto.

18. WAIVER

Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

19. NOTICES

All notices, requests, demands and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been duly given and made if (i) delivered by hand, (ii) otherwise delivered against receipt therefor, (iii) sent by a recognized courier with next-day or second-day delivery to the last known address of the other party; or (iv) sent by e-mail with confirmation of receipt.

20. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

21. NO INTERPRETATION AGAINST DRAFTER

Each party recognizes that this Agreement is a legally binding contract and acknowledges that such party has had the opportunity to consult with legal counsel of choice. In any construction of the terms of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such terms.

[Remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first written above.

QuantaSing Group Limited

By: _____
Name:
Title:

Executive

Signature: _____
Name:

Schedule A

Cash Compensation

Schedule B

List of Prior Inventions

Exhibit 10.5

Exclusive Consultancy and Service Agreement

This Exclusive Consultancy and Service Agreement ("**Agreement**") is made and entered into by the following parties on May 20, 2021:

Beijing Liangzizhige Technology Co., Ltd. ("Party A")

Registered address: Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China

Feierlai (Beijing) Technology Co., Ltd. ("Party B")

Registered address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China

Whereas,

1. Party A is a wholly foreign-owned enterprise established in Beijing, People's Republic of China (hereinafter referred to as "**PRC**", for the purpose of this Agreement, excluding Hong Kong, Macau and Taiwan), which owns computer technology, computer software service, and necessary resource for enterprise management consultancy, and has experience in providing professional technical and consultancy services;
2. Party B is a domestic limited liability company registered in Beijing, PRC;
3. Party A shall be the provider of technical and consultancy services to Party B, and Party B hereby agrees to accept such technical and consultancy services;

Therefore, after friendly consultations between both Parties on the principle of equality and mutual benefit, the Parties hereby agree as follows:

1. Technical and consultancy services; and exclusive and sole rights and interests

1.1 During the term of this Agreement, Party A agrees to provide Party B with relevant consultancy and services as an exclusive consultancy and service provider under the terms of this Agreement (Details see Annex 1).

1.2 Party B agrees to accept the consultancy and services provided by Party A, and shall provide appropriate cooperation for Party A to complete the aforementioned work, including but not limited to providing relevant data, the required technical requirements, instructions, etc. Party B further agrees that, during the term of this

Agreement, unless with Party A's prior written consent, during the term of this Agreement, Party B will not accept the technical or consultancy services provided by any third party on the above-mentioned matters hereunder, nor shall it be licensed or assigned from any third-party services or improvement identical or similar to such technical and consultancy services, unless with the prior written permission of Party A.

1.3 Party A shall be the sole and exclusive owner of all rights, title and interests and intellectual property rights arising from the performance of this Agreement, including, but not limited to, any copyright, patent, know-how, trade secret and otherwise, whether developed by Party A, or by Party B based on Party A's intellectual property or by Party A based on Party B's intellectual property, for which Party B may not claim against Party A. It is acknowledged that, this section shall survive the alteration, dissolution or termination of the Agreement.

1.4 Party B promises that, if it intends to conduct any business cooperation with any other company, the prior written consent of Party A shall be obtained, and under the same conditions, Party A or its affiliates have the priority to cooperate. Party A has the right to independently decide/appoint any third party (including but not limited to Party A's affiliate) to provide Party B with the technical or consultancy services hereunder. For the avoidance of doubt, both parties hereby confirm that Party A may provide similar services to any third party within or outside China to the extent permitted by relevant laws, regarding which Party B shall not raise any objection.

2. Obligations of the Parties

2.1 Obligations of Party A

Party A agrees that, within the term of this Agreement, Party A or any other party designated by it will promptly provide Party B with technical and consultancy services in accordance with the terms of this Agreement.

2.2 Obligations of Party B

2.2.1 Party B agrees to determine and timely pay Party A the fees for the technical and consultancy services (hereinafter referred to as "**Service Fees**") hereunder based on the methods set forth in Annex 2.

2.2.2 Party B shall appropriately and reasonably accept and use the technical and consultancy services provided by Party A.

2.2.3 Upon the occurrence of any event that affects Party B's normal operations, Party B shall notify Party A in a timely manner.

2.2.4 Party B hereby grants Party A or any person authorized by Party A access to its office or other business premises within a reasonable time.

2.2.5 Party B shall not take, and shall procure that no other third party take, any action that may adversely affect the ownership or intellectual property rights of the services provided by Party A hereunder.

2.2.6 Party B shall be responsible for obtaining all relevant approvals and permits (if required) from the relevant government for Party A's performance of its obligations hereunder.

2.2.7 Party B shall prepare financial statements acceptable to Party A in accordance with the requirements of laws and commercial practices.

2.2.8 Party B shall provide Party A with its quarterly financial statements (audited and certified by an independent certified public accountant approved by Party A), documents, accounts, records, data, etc. within 5 business days after the end of each quarter, so that Party A may audit Party B's accounts and determine the amount of Service Fees.

2.2.9 Upon notification by Party A five (5) working days in advance, Party B shall allow Party A and/or its designated auditor to audit Party B's relevant accounts and records and copy the required part thereof at Party B's principal place of business, so as to verify the accuracy of Party B's income and statements.

2.2.10 In addition to Service Fees, Party B shall bear and indemnify Party A for all reasonable expenses, advance payments and out-of-pocket expenses in any form paid or incurred by Party A when performing or providing services.

3. Representations and Warranties

3.1 Party A hereby represents and warrants as follows:

3.1.1 Party A is a company duly registered and validly existing under the laws of the PRC;

3.1.2 Party A's execution and performance of this Agreement is within the scope of its corporate power and business operations; Party A has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate the restrictions of laws and contracts binding or having an impact on it;

3.1.3 The Agreement shall constitute Party A's legitimate, valid and binding obligations once it is executed, and shall be enforceable against it.

3.2 Party B hereby represents and warrants as follows:

3.2.1 Party B is a company duly registered and validly existing under the laws of the PRC.

3.2.2 Party B's execution and performance of this Agreement is within the scope of its corporate power and business operations; Party B has taken necessary corporate actions and given appropriate authorization and has obtained the consent and approval from third parties and government agencies, and will not violate the restrictions of laws and contracts binding or having an impact on it.

3.2.3 The Agreement shall constitute Party B's legitimate, valid and binding obligations once it is executed, and shall be enforceable against it.

3.2.4 The provision of services by Party A and Party B's acceptance of such services require no consent or approval from or registration with any government department or agency.

4. Confidentiality Clause and Others

4.1 Party B agrees to maintain the confidentiality of any oral or written materials and information (hereinafter referred to as "**Confidential Information**") of Party A that Party B learns or has access to due to its acceptance of Party A's exclusive technical and consultancy services, and shall take various security measures designed to maintain such confidentiality; without the prior written consent of Party A, Party B shall not disclose, give or transfer such Confidential Information to any third party. Upon the termination of this Agreement, Party B shall return to Party A any document, material or software that contains such Confidential Information at Party A's request, or shall destroy the same on its own and shall delete any Confidential Information from the relevant memory devices and may no longer use such Confidential Information. Party B shall take necessary measures to disclose the Confidential Information only to its employees, agents or professional consultants on a need-to-know basis and procure such employees, agents or professional consultants to abide by confidentiality obligations no less strictive than those set forth herein. The failure of such persons or institutions engaged by Party B to abide by any confidentiality obligations hereunder shall be deemed as Party B's breach of such confidentiality obligations.

4.2 The restrictions above are not applicable to:

4.2.1 any information that has become generally available to the public at the time of disclosure;

4.2.2 any information that comes into public domain through no fault of Party B after the disclosure;

4.2.3 any information that can be proved by Party B to have been acquired before the disclosure, and which has not been acquired directly or indirectly from Party A, Party A's affiliates, shareholders or ultimate shareholders;

4.2.4 any information that Party B is obliged to disclose to relevant government departments, stock exchange institutions, etc., in accordance with legal requirements, or that is disclosed by Party B to its direct legal advisors and financial advisors due to normal business needs, provided that Party B shall procure such legal consultants and financial advisers to abide by the confidentiality obligations hereunder.

4.3 Party B may not directly or indirectly carry out business beyond the scope permitted by its business license and relevant business permits, nor may it carry out any business beyond the scope permitted by Party A in writing.

4.4 It is acknowledged that, this section shall survive the alteration, dissolution or termination of the Agreement.

5. Default

5.1 If either Party is in breach of any provisions herein or fails to perform its obligations hereunder, such breach or failure shall constitute a default under this Agreement. In such event, Party A may issue a written notice to Party B, requesting Party B to promptly rectify the default, take timely and effective measures to eliminate the consequences of such default and compensate Party A for the losses suffered therefrom in accordance with applicable laws and the provisions of this Agreement.

5.2 Upon occurrence of any default by Party B, if Party A, based on reasonable and objective judgment, believes that such default has caused it impossible or unfair for Party A to perform its corresponding obligations hereunder, then Party A may notify the Party B in writing that it will suspend its performance of obligations hereunder, until Party B has stopped its default, taken effective measures to eliminate the effect thus caused, and indemnified Party A any losses suffered therefrom in accordance with applicable laws and the provisions hereof.

5.3 No waiver of rights in respect of any default hereunder shall be valid unless it is made in writing. No failure to exercise or delay in exercising any right or remedy by any party under this Agreement shall operate as a waiver thereof, nor shall any partial exercise of any right or remedy preclude the exercise of any other right or remedy.

5.4 Party B shall fully indemnify and hold harmless Party A from and against any loss, damage, obligation and expense arising out of any litigation, claim or other demand against Party A resulting from the content of the technical and consultancy services requested by Party B.

5.5 Party A’s losses to be indemnified by Party B as mentioned in this section shall include all direct economic losses, any foreseeable and reasonable indirect economic losses and related expenses arising therefrom, including but not limited to attorney’s fees, legal costs, arbitration fees and travel expenses.

5.6 Party B recognizes and agrees that, any violation of its obligations hereunder may cause irreparable damage to Party A for which indemnification made by Party B according to law and/or this Agreement may not be sufficient. Therefore, upon the occurrence of any such violation or potential violation, in addition to the remedies provided in this Agreement and applicable laws, Party A has the right to require Party B to continue to perform its obligations hereunder.

5.7 If Party B fails to pay the Service Fees to Party A on schedule as stipulated in this Agreement, Party A shall have the right to collect from Party B liquidated damages equivalent to 0.1% of the outstanding Service Fees per day. The above-mentioned liquidated damages shall be calculated from the due date to the actual payment date; this Section 5.7 shall not preclude any other right available to Party A under this Agreement and in accordance with applicable laws

5.8 If Party B materially violates or fails to perform any of its covenants, obligations or undertakings made hereunder, or the representations and warranties made are seriously inaccurate, Party A has the right to terminate this Agreement and/or require Party B to compensate for its losses.

5.9 The validity of this section shall not be affected by the termination or dissolution of this Agreement.

6. Effectiveness and Term

6.1 This Agreement shall become effective as of the date when it is signed by both parties, and unless terminated early in accordance with the terms of this Agreement or the relevant agreement entered into by and between the parties, this Agreement shall remain valid for a period of ten years.

6.2 This Agreement will be automatically extended for additional successive terms of ten years, unless Party A gives Party B its written objection to the extension three months prior to the expiration of this Agreement, and so on.

7. Amendment and Termination

7.1 Any amendment of this Agreement shall come into force only after a written agreement is signed by both Parties. Otherwise, no amendment in respect of this Agreement shall bind the parties hereto. Unless it is renewed in accordance with the relevant terms, this Agreement will terminate on the expiry date.

7.2 During the term of this Agreement, under no circumstance may Party B terminate this Agreement in advance. This Agreement shall be terminated under any of the following circumstances: (i) all equity of Party B has been transferred to Party A in accordance with the *Exclusive Option Agreement* entered into by and among Party A, Party B and the existing shareholder of Party B; (ii) Party A terminates this Agreement at any time by sending a written notice to Party B 30 days in advance. If Party A dissolves this Agreement in advance for reasons of Party B, Party B shall compensate Party A for all its losses caused thereby, and shall pay relevant Service Fees for the services completed.

7.3 After the termination of this Agreement, the rights and obligations of both parties under Sections 1.3, 4, 5 and 8 of this Agreement will continue to be valid.

7.4 No amendment or dissolution of this Agreement shall affect the rights of the parties to claim for damages. Except when it may be exempted from liability according to law, the party that is held responsible shall compensate the other party for all losses and damages thus caused by such amendment or termination.

7.5 The early termination of this Agreement for any reason shall not exempt any party from all payment obligations (including but not limited to Service Fees) hereunder that become due before the termination date of this Agreement, nor from any default liability that occurs before the termination of this Agreement. The Service Fees payable incurred before the termination of this Agreement shall be paid to Party A within fifteen (15) working days from the termination date of this Agreement.

8. Settlement of Disputes

8.1 Any dispute between the parties arising from the interpretation or performance of the terms hereof shall be solved through friendly negotiations. If both parties fail to reach an agreement regarding such dispute within thirty (30) days upon its occurrence, either party may submit the dispute to the China International Economic and Trade Arbitration Commission Arbitration for arbitration in accordance with its then effective arbitration rules. The place of arbitration shall be Beijing and the arbitration shall be conducted in Chinese. The award rendered therein shall be final and binding upon both parties. The validity of this section shall not be affected by the termination or dissolution of this Agreement.

8.2 Except for the matters under dispute, the parties to this Agreement shall continue to perform their respective obligations hereunder in accordance with the terms of this Agreement in good faith.

9. Further Assurance

The parties agree to promptly execute documents that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement and to take further actions that are reasonably required for or are conducive to the implementation of the provisions and purposes of this Agreement, including but not limited to contacting with relevant government agencies.

10. Force Majeure

10.1 "**Force Majeure**" shall refer to any event beyond the reasonable control of either party and cannot be avoided by the party affected thereby with reasonable care, including but not limited government action, act of God, fire, explosion, storm, flood, earthquake, tide, lightning or war. However, any shortage of credit, capital or finance shall not be deemed as an event beyond the reasonable control of one party. The party seeking to be exempted from performance hereunder due to Force Majeure shall promptly send a notice to the other party, informing of the exemption and the steps to be taken to accomplish the performance.

10.2 When the performance of this Agreement is delayed or impeded by the aforementioned Force Majeure, the party affected by such Force Majeure shall not be liable in any way under this Agreement to the extent of such delay or impedance. The party affected shall take appropriate measures to mitigate or eliminate the impact of such Force Majeure and shall attempt to resume the performance of obligations delayed or impeded by such Force Majeure. As soon as the force majeure event is eliminated, the parties agree to use their best efforts to resume the performance of this Agreement.

11. Notice

11.1 Notices given by either party for the exercise and performance of its rights and obligations hereunder shall be in writing, and shall be sent to the following address by personal delivery, registered mail, mail with prepaid postage or recognized express mail or facsimile.

For the purpose of notices, the addresses of the Parties are as follows:

Beijing Liangzizhige Technology Co., Ltd.
Address: Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China
Recipient: Dong Xie

Feierlai (Beijing) Technology Co., Ltd.
Address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.
Recipient: Peng Li

Any party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

11.2 Notices and letters shall be deemed to have been served:

11.2.1 On the date recorded if delivered by fax, or if the fax is delivered after 5 pm or on a non-working day in the place of delivery, on the working day following the date recorded;

11.2.2 On the date of receipt if delivered by personal delivery (including express mail);

11.2.3 On the 15th day after the date recorded on the receipt, if delivered by registered mail.

12. Assignment

Party B may not assign its rights and obligations hereunder to any third party, unless Party A's prior written consent is obtained. Party A may assign its rights and obligations hereunder to any third party without Party B's consent, provided that Party B shall be notified of such assignment.

13. Severability

In the event that any provision of this Agreement is invalid or unenforceable due to inconsistency with law, such provision shall only be invalid or unenforceable to the extent of the jurisdiction of such law, and shall not affect the legal validity of the remaining provisions of this Agreement.

14. Amendments and Supplements

Any amendments and supplements to this Agreement shall be in writing. The amendments and supplementary agreements duly executed by the parties in respect of this Agreement shall be an integral part of this Agreement and shall have the same legal effect as this Agreement.

15. Waiver

Unless otherwise provided in this Agreement, no failure to exercise or delay in exercising any right, power or privilege by any party under this Agreement shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege provided under this Agreement shall preclude the exercise of any other right, power or privilege.

16. Governing Law

The execution, effectiveness, performance, interpretation and dispute resolution of this Agreement shall be governed by and construed in accordance with the laws of the People's Republic of China.

17. Miscellaneous

17.1 This Agreement is made in duplicate, both having the same legal effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives on the date first written above.

(No text below, it being the signature page to the Agreement)

(No text on this page, this being a signature page to the Exclusive Consultancy and Service Agreement)

Party A: Beijing Liangzizhige Technology Co., Ltd.

Authorized signatory: /s/ Chun Wang /s/ Seal

Party B: Feierlai (Beijing) Technology Co., Ltd.

Authorized signatory: /s/ Jinshan Li /s/ Seal

Annex 1

Contents of technical and consultancy service content list

Service category	Service content
Computer technology	Technical development, technical consultation, technical services and technical transfer in terms of computer technology
Computer software	Application software services (excluding medical software), computer system service; basic software service; data processing
Economic and trade consultancy	Provision of consultancy services about economic and trade
Enterprise management consultancy	Corporate daily management consultancy and education consultancy, etc.
Graphic design	Graphic design, packaging and decoration design; arts and crafts design; computer animation design

Annex 2

Calculation and Payment Method of Service Fees

During the term of this Agreement, the Service Fees payable by Party B to Party A for the services provided by Party A as described in Annex 1 shall be denominated in RMB and calculated according to the following formula:

Service fees = Party B's income—turnover taxes—Party B's total costs—legally required statutory accumulation fund of Party B -Party B's retained profits

In which:

- Party B'S income refers to the income that Party B receives from a third party in the normal course of business;
- Turnover taxes include but are not limited to business tax, value-added tax, urban maintenance and construction tax and education surcharge;
- Party B's total costs include all costs and expenses, such as the cost of selling goods and the operating costs incurred by Party B in conducting business; and
- Party B'S retained profits shall be zero, unless Party A otherwise agrees in writing the amount of retained profits.

During the term of this Agreement, Party A has the right to adjust the above Service Fees at its own discretion without the consent of Party B.

Party B shall provide Party A with its management statements and operating data of the previous quarter (specifying Party B's income in the previous quarter), as well as written breakdown of Service Fees for the technical and consultancy services provided in the previous quarter, within the first 5 business days of each quarter. Party A shall confirm to Party B in writing whether the breakdown is correct or not within 10 business days after the receipt thereof. If it fails to confirm on schedule, Party B shall be deemed to have confirmed the correctness of the breakdown provided by Party A. Party B shall pay the Service Fees to the account designated by Party A within 10 business days after receiving a written confirmation from Party A. Both parties agree that, Party A may change such payment instructions by giving notice to Party B from time to time.

Exhibit 10.6

IN ACCORDANCE WITH ITEM 601(B)(10)(IV) OF REGULATION S-K, CERTAIN IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THE EXHIBIT BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Beijing Liangzizhige Technology Co., Ltd.

Shenzhen Erwan Education Technology Co., Ltd.

and

Feierlai (Beijing) Technology Co., Ltd.

Equity Pledge Agreement

May 20, 2021

Equity Pledge Agreement

This Equity Pledge Agreement (the "Agreement") is executed by and among the following Parties on May 20, 2021:

(1) Shenzhen Erwan Education Technology Co., Ltd. (the "Pledgor"), a limited liability company organized and existing under the laws of the People's Republic of China, with its registered address at 417B3, Ruisheng Technology Building (Lvchuang Yungu), Gaoxin North 6th Road No.38, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, People's Republic of China;

(2) Beijing Liangzizhige Technology Co., Ltd. (the "Pledgee"), a wholly foreign-owned company duly incorporated and validly existing under the laws of the People's Republic of China, with its registered address at Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China; and

(3) Feierlai (Beijing) Technology Co., Ltd. (the "Company"), a limited liability company organized and existing under the laws of the People's Republic of China, with its registered address at Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.

(In this Agreement, the above parties are individually referred to as a "Party" and collectively referred to as the "Parties".)

Whereas,

1. Being registered shareholder of the Company, the Pledgor holds 100% of equity in the Company ("Company Equity") according to law, the contribution and shareholding of which as of the signing date hereof being as set out in Annex I hereto.

2. In accordance with the *Exclusive Option Agreement* (as may be amended from time to time, the "Exclusive Option Agreement") signed on May 20, 2021 by and among the Parties, the Pledgor shall, to the extent permitted by PRC Laws, transfer at the request of the Pledgee all or part of their equity in the Company to the Pledgee and/or any other person designated by the Pledgee, and the Company shall, to the extent permitted by PRC Laws, transfer at the request of the Pledgee all or part of its assets and businesses to the Pledgee and/or any other person designated by the Pledgee.

3. In accordance with the *Voting Rights Proxy Agreement* ("Proxy Agreement") signed on May 20, 2021 by and among the Parties, the Pledgor has granted a general power of attorney to the Pledgee or such person as may then be appointed by the Pledgee to exercise all of its shareholder voting rights in the Company on behalf of the Pledgor.

4. In accordance with the *Exclusive Consultancy and Service Agreement* (as may be amended from time to time, the "Service Agreement") signed on May 20, 2021 by and between the Company and the Pledgee, the Company has, on an exclusive basis, engaged the Pledgee to provide it with relevant technical consulting and services and agreed to pay relevant service fees to the Pledgee for such technical consulting and services.

5. As a guarantee for the performance by the Pledgor and the Company of their Contractual Obligations (as defined below) and their satisfaction of the Secured Indebtedness (as defined below), the Pledgor intends to pledge all of its equity in the Company to the Pledgee and create first ranking right of pledge in favor of the Pledgee.

Now therefore, after friendly consultations, the Parties agree as follows:

1 Definitions

1.1 Unless otherwise required by the context, the following terms shall have the following meanings in this Agreement:

"Contractual Obligations":	means all contractual obligations of the Pledgor and the Company under the Service Agreement, the Exclusive Option Agreement and the Proxy Agreement (as such documents may be amended and restated from time to time, collectively referred to as the "Transaction Agreements"); and all contractual obligations of the Pledgor under this Agreement.
"Secured Indebtedness":	means all service fees, interest, liquidated damages and compensation due to the Pledgee under the Transaction Agreements, including any and all direct, indirect or consequential losses and loss of predictable benefits as may be suffered by the Pledgee as a result of any Event of Default of the Pledgor and/or the Company(the basis of which including but not limited to reasonable business plan, profit forecast of the Pledgee and all costs as may be incurred by the Pledgee in connection with its enforcement of the performance of the Contractual Obligations against the Pledgor and/or the Company), and the cost of realizing the pledge of equity and all other expenses payable (including but not limited to attorney's fees, arbitration fees, supervision, evaluation and auction fees as well as any taxes and dues).

"Event of Default":	means a breach by the Pledgor or the Company of any of its Contractual Obligations under the Transaction Agreements and/or this Agreement.
"Pledged Equity":	means all of the Pledgor's equity in the Company as lawfully owned by the Pledgor as of the effectiveness hereof and pledged hereunder to the Pledgee as security for the Pledgor's and the Company's performance of their respective Contractual Obligations and any increased capital contribution, any dividend received under Sections 2.6 and 2.7 hereof and the Additional Equity (if applicable) set forth in Article 9.6 hereof.
"Industry and Commerce":	means the competent market supervision and administration department.
"PRC Laws":	means the then effective laws, administrative regulations, administrative rules, local statutes, judicial interpretations and other binding normative documents of the People's Republic of China.

1.2 In this Agreement, any reference to any PRC Law shall be deemed to include (1) a reference to such PRC Law as modified, amended, supplemented or reenacted, effective either before or after the date hereof; and (2) a reference to any other decision, circular or rule made thereunder or effective as a result thereof.

1.3 Unless otherwise required by the context, a reference to a provision, clause, section or paragraph shall be a reference to a provision, clause, section or paragraph of this Agreement.

2 Equity Pledge

2.1 The Pledgor hereby agrees to pledge, in accordance with the terms hereof, its lawfully owned and rightfully disposable Pledged Equity to the Pledgee as security for the timely and complete performance of Contractual Obligations and the repayment of the Secured Indebtedness. The Company hereby agrees for the Pledgor to pledge the Pledged Equity to the Pledgee in accordance with the terms hereof in the form of first priority pledge.

2.2 The Pledgor shall record the equity pledge arrangement ("Equity Pledge") hereunder in the shareholders' register of the Company as of the signing date of this Agreement, and shall provide the Pledgee with proof of such registration in form satisfactory to the Pledgee. Within 15 days from the date hereof or within other time limit agreed by all Parties, the Pledgor shall provide the Pledgee with the industrial and commercial registration documents in connection with the Equity Pledge for filing. The Pledgee shall keep such items for the entire pledge period stipulated in this Agreement. The Pledgor may keep photocopies of such items.

2.3 During the term of this Agreement, the Pledgee shall not be liable in whatsoever manner for any diminution in value of the Pledged Equity and the Pledgor shall have no right to seek any form of recourse or bring any claim against the Pledgee's other personal property in connection therewith, except where such diminution arises out of any willful conduct of the Pledgee or out of its material omission having immediate causal link with such result.

2.4 Subject to Section 2.3 above, if the Pledged Equity is likely to suffer such a manifest value diminution as to impair the rights of the Pledgee, the Pledgee may require the Pledgor to provide the corresponding security, or may at any time auction or sell the Pledged Equity on behalf of the Pledgor and may, as agreed with the Pledgor, apply the proceeds from such auction or sale towards early full satisfaction of the Secured Indebtedness, or deposit (entirely at the cost of the Pledgor) such proceeds with a notary organ of the place of the Pledgee.

2.5 The Pledgee has the first ranking security interest in the Pledged Equity. Upon occurrence of any Event of Default, the Pledgee shall be entitled to dispose of the Pledged Equity in such manner as prescribed in Section 4 hereof.

2.6 The Pledgor may not increase the capital of the Company except with the prior written consent of the Pledgee. Any increase in the capital contributed by the Pledgor to the registered capital of the Company as a result of any capital increase shall also become part of the Pledged Equity, which shall be registered as soon as possible in accordance with Section 2.2 of this agreement.

2.7 The Pledgee shall have the right to collect bonus or dividends generated by the equity during the term of pledge. The Pledgor may not receive any dividend or bonus in respect of the Pledged Equity except with the prior written consent of the Pledgee. After deduction of the individual income tax paid by the Pledgor, any dividend or bonus received by the Pledgor in respect of the Pledged Equity shall be, at the request of the Pledgee: (1) deposited into an account designated by the Pledgee, which will be under the supervision of the Pledgee, and used to secure the Contractual Obligations and to first satisfy the Secured Indebtedness; or (2) without prejudice to PRC Laws, unconditionally donated to the Pledgee or the person designated by the Pledgee.

2.8 Upon occurrence of an Event of Default, the Pledgee shall be entitled to dispose of any Pledged Equity of any Pledgor in accordance with the terms hereof.

2.9 If the Company needs to be dissolved or liquidated in accordance with the mandatory provisions of PRC Laws, after such dissolution or liquidation procedures are completed according to law, any proceeds received by the Pledgor from the Company according to law shall be, at the request of the Pledgee: (1) deposited into an account designated by the Pledgee, which will be under the supervision of the Pledgee, and used to secure the Contractual Obligations and to first satisfy the Secured Indebtedness; or (2) without prejudice to PRC Laws, unconditionally donated to the Pledgee or the person designated by the Pledgee.

3 Release of Pledge

Upon full and complete performance by the Pledgor and the Company of all of their Contractual Obligations and full satisfaction of all Secured Indebtedness, the Pledgee shall, at the request of the Pledgor, release the Equity Pledge hereunder and cooperate with the Pledgor in relation to both the deregistration of the Equity Pledge in the shareholders' register of the Company and the deregistration of the Equity Pledge with the relevant industry and commerce administration; reasonable costs arising from such release of Equity Pledge shall be borne by the Pledgee.

4 Disposal of Pledged Equity

4.1 The Parties hereby agree that, upon occurrence of any Event of Default, the Pledgee shall be entitled to exercise, upon written notice to the Pledgor, all of the remedies, rights and powers available to it under PRC Laws, the Transaction Agreements and this Agreement, including but not limited to: (a) to the extent permitted by PRC laws and regulations, at the request of the Pledgee, the right to procure the Pledgor to transfer to the Pledgee and/or any other person designated by it all or part of their Equity Pledged at the lowest transfer price permitted by PRC Laws; (b) the right to sell the Pledged Equity for prior satisfaction of claims by discount or auction; or (c) other means to realize the pledge as permitted by PRC Laws. Once the Pledgee chooses to exercise the pledge, the Pledgor shall no longer have any right or interest in the Equity Pledged.

4.2 The Pledgee shall be entitled to appoint, in writing, its counsels or other agents to exercise any and all of its foregoing rights and powers and neither the Pledgor nor the Company shall object thereto.

4.3 All reasonable costs incurred by it in connection with the Pledgee's exercise of any or all of its foregoing rights and powers shall be borne by the Pledgor, and the Pledgee shall have the right to fully deduct such costs from the proceeds obtained as a result of such exercise of rights and powers.

4.4 The proceeds obtained as a result of the exercise by the Pledgee of its rights and powers shall be applied in the following order of precedence:

Firstly, towards payment of all costs arising out of the disposal of the Pledged Equity and the exercise by the Pledgee of its rights and powers (including fees paid to its counsels and agents);

Secondly, towards payment of the taxes payable in connection with the disposal of the Pledged Equity; and

Thirdly, towards repayment of the Secured Indebtedness to the Pledgee.

Any balance after the deduction of the foregoing payments shall either be returned by the Pledgee to the Pledgor or any other person who may be entitled to such balance under relevant laws and regulations or be deposited by the Pledgee with a notary organ of the place of the Pledgee (any costs arising out of such deposit shall be borne by the Pledgor).

The value of the Secured Indebtedness shall be determined on the basis of the aggregate due and outstanding Secured Indebtedness on the most recent date before the occurrence of any Event of Default or on the date of occurrence.

4.5 The Pledgee shall not be required to first exercise other remedies for breach of contract prior to exercising its right to auction or sell the Pledged Equity. Neither the Pledgor nor the Company have the right to raise objections to whether the Pledgee exercises part of its pledge rights or the exercise sequence of pledge rights.

4.6 When the Pledgee disposes of the Equity Pledged in accordance with this Agreement, the Pledgor and the Company shall provide necessary assistance, so that the Pledgee may realize the pledge of equity in accordance with the terms hereof.

4.7 The Pledgee may issue a notice of default to the Pledgor upon or at any time after the occurrence of any Event of Default, requiring the Pledgor to immediately pay all outstanding payments due and payable under the Transaction Agreements and all other amounts due and payable to the Pledgee, and/or to dispose of the pledge in accordance with Section 4 hereof.

5 Costs and Expenses

Any and all actual costs and expenses arising in connection with the creation of the Equity Pledge hereunder, including (without limitation) the stamp duty and any other taxes and all legal costs, shall be borne by the Company, except for those to be borne by the Pledgee as required by law.

6 Continuing Guarantee and Non-Waiver

The Equity Pledge created hereunder shall constitute a continuing guarantee and shall remain valid until full performance of the Contractual Obligations or full satisfaction of the Secured Indebtedness. Neither any waiver or grace granted by the Pledgee with respect to any breach of the Pledgor nor any delay of the Pledgee in its exercise of any of its rights under the Transaction Agreements and this Agreement shall affect the right of the Pledgee under this Agreement, relevant PRC Laws and the Transaction Agreements to require at any time thereafter the Pledgor to strictly perform the Transaction Agreements and this Agreement or any right that may be available to the Pledgee as a result of any subsequent breach by the Pledgor of the Transaction Agreements and/or this Agreement.

7 Representations and Warranties by the Pledgor

The Pledgor represents and warrants to the Pledgee that:

7.1 The Pledgor is a Chinese enterprise with full capacity to act; it has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and may independently act as a subject of litigation.

7.2 The Company in which the Pledgor hold equity interest is a limited liability company duly incorporated and validly existing under the laws of the People’s Republic of China, with independent legal personality. The Company has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and may independently act as a subject of litigation. It has full power and authority to execute and deliver this Agreement and all other documents to be entered into by it which are related to the transaction contemplated hereunder, as well as to consummate such transaction.

7.3 All reports, documents and information provided by the Pledgor to the Pledgee prior to the effectiveness of this Agreement with respect to matters pertaining to the Pledgor or required by this Agreement are true, correct and valid in all material respects as of the effectiveness of this Agreement.

7.4 All reports, documents and information provided by the Pledgor to the Pledgee subsequent to the effectiveness of this Agreement with respect to matters pertaining to the Pledgor or required by this Agreement are true, correct and valid in all material respects as of the time of provision of the same.

7.5 As of the effectiveness of this Agreement, the Pledgor is the sole lawful owner of the Pledged Equity free from any ongoing dispute as to the ownership thereof, the Pledged Equity is not subject to seizure or other legal procedures or similar threats, and may be used for pledge and transfer in accordance with applicable laws. The Pledgor has the right to dispose of the Pledged Equity or any part thereof.

7.6 Other than the security interest created on the Pledged Equity hereunder and the rights created under the Transaction Agreements, the Pledged Equity is free from any other security interest, third party right or interest or other encumbrances.

7.7 The Pledged Equity may be lawfully pledged and transferred, and the Pledgor has full rights and powers to pledge the Pledged Equity to the Pledgee in accordance with the terms hereof.

7.8 Once duly executed by the Pledgor, this Agreement will constitute lawful, valid and binding obligations of the Pledgor.

7.9 Any consent, permission, waiver or authorization by any third party or any approval, license or exemption from or any registration or filing formalities with any governmental body (if required by law), requisite in each case for the execution and performance of this Agreement and the creation of the Equity Pledge hereunder, have been obtained or are being pursued and will remain fully valid during the term of this Agreement.

7.10 The execution and performance by the Pledgor of this Agreement will not violate or conflict with any law applicable to the Pledgor, any agreement to which any Pledgor is a party or by which its assets is bound, any court judgment, any arbitral award, or any decision of any administrative authority.

7.11 The pledge hereunder constitutes a first ranking security interest on the Pledged Equity.

7.12 All taxes and costs payable in connection with the securing of the Pledged Equity have been paid in full by the Pledgor and the Company.

7.13 There is no pending, or to the knowledge of the Pledgor, threatened, suit, legal proceeding or claim before any court or arbitral tribunal or by any governmental body or administrative authority against the Pledgor or its properties or the Pledged Equity having a material or adverse effect on the financial condition of the Pledgor or their ability to fulfill its obligations and the guarantee liability hereunder.

7.14 The execution by the Pledgor of the Agreement, the exercise of its rights hereunder, or the performance of its obligations hereunder, will not violate any law, regulation, any agreement or contract to which any Pledgor is a party, or any commitment made by any Pledgor to any third party.

7.15 The Pledgor hereby warrants to the Pledgee that the foregoing representations and warranties will remain true and correct and fully complied with under all circumstances at any time prior to full performance of the Contractual Obligations or full satisfaction of the Secured Indebtedness.

8 Representations and Warranties by the Company

The Company hereby represents and warrants to the Pledgee that:

8.1 The Company is a limited liability company duly incorporated and validly existing under PRC Laws with independent legal personality; and has full and independent legal status and capacity to execute, deliver and perform this Agreement and may sue or be sued as an independent party.

8.2 All reports, documents and information provided by the Company to the Pledgee prior to the effectiveness of this Agreement with respect to matters pertaining to the Pledged Equity or required by this Agreement are true, correct and valid in all material respects as of the effectiveness of this Agreement.

8.3 All reports, documents and information provided by the Company to the Pledgee subsequent to the effectiveness of this Agreement with respect to matters pertaining to the Pledged Equity or required by this Agreement are true, correct and valid in all material respects as of the time of provision of the same.

8.4 It has full power and authority to execute and deliver this Agreement and all other documents to be entered into by it which are related to the transaction contemplated hereunder, as well as to consummate such transaction.

8.5 There is no pending, or to the knowledge of the Company, threatened, suit, legal proceeding or claim before any court or arbitral tribunal or by any governmental body or administrative authority against the Company, its equity or its assets (including but not limited to the Pledged Equity) having a material adverse effect on the financial condition of the Company or the ability of the Company to fulfill its obligations and the guarantee liability hereunder.

8.6 The Company hereby agrees to be severally and jointly liable to the Pledgee for the representations and warranties made by the Pledgor hereunder.

8.7 All taxes and costs payable in connection with the securing of the Pledged Equity have been paid in full by the Pledgor and the Company.

8.8 The assets owned by the Company are free from any significant security interest or other encumbrances that may affect the rights and interests of the Pledgee in the equity.

8.9 The Company hereby warrants to the Pledgee that the foregoing representations and warranties will remain true and correct and fully complied with under all circumstances at any time prior to full performance of the Contractual Obligations or full satisfaction of the Secured Indebtedness.

9 Undertakings by Pledgor

The Pledgor undertakes to the Pledgee that:

9.1 Except for performing the Exclusive Option Agreement, without the prior written consent of the Pledgee, the Pledgor will not transfer or permit to be transferred all or part of the Equity, or create or permit to be created any security interest or other encumbrances that may affect the rights and interests of the Pledgee in the Equity, and any pledge or any other security interest imposed on all or part of the Pledged Equity without the prior written consent of the Pledgee shall be null and void.

9.2 Without the prior written notice to and the prior written consent from the Pledgee, the Pledgor will not transfer the Pledged Equity and all purported transfer of the Pledged Equity by the Pledgor shall be null and void. The proceeds received by the Pledgor from the transfer of the Pledged Equity with prior written consent from the Pledgee shall be first applied towards early full repayment to the Pledgee of the Secured Indebtedness or shall be deposited with a third party to be agreed with the Pledgee.

9.3 Should there arises any suit, arbitration or other claims which are likely to have an adverse effect on the Pledgor's or the Pledgee's interest under the Transaction Agreements and this Agreement or on the Pledged Equity, the Pledgor undertakes that it will notify the Pledgee in writing of the same as promptly as possible without delay and will, at the reasonable request of the Pledgee, take all necessary measures to ensure the Pledgee's rights and interests of pledge in and to the Pledged Equity.

9.4 The Pledgor will not do or permit to be done any act or omission likely to have a material adverse effect on the interest of the Pledgee under the Transaction Agreements and this Agreement or on the Pledged Equity.

9.5 In the event of a possibility that the value of Pledged Equity will decrease and sufficiently endanger the rights of the Pledgee, the Pledgee may require the Pledgor to provide additional mortgage or guarantee. If the Pledgor fails to provide the same, the Pledgee may auction or sell the Pledged Equity at any time, the proceeds received therefrom shall be first applied towards early full repayment to the Pledgee of the Secured Indebtedness or shall be deposited with a third party; any costs incurred therefrom shall be borne by the Pledgor.

9.6 Without the prior written consent of the Pledgee, the Pledgor and/or the Company may not (by itself or assist others to) increase, decrease, transfer, or create any encumbrance on (including on the Equity) the Company's registered capital (or its capital contribution to the Company). Subject to the foregoing provisions, the equity registered and acquired by the Pledgor after the date hereof shall be referred to as "Additional Equity". The Pledgor and the Company shall immediately sign a supplementary equity pledge agreement with the Pledgee in respect of the Additional Equity when the Pledgor acquire the same, shall urge the Company's board of directors and shareholders' meetings to approve the supplementary equity pledge agreement, and shall submit all documents required for the supplementary equity pledge agreement, including but not limited to the original capital contribution certificates issued by the Company in respect of the Additional Equity. The Pledgor and the Company shall have the pledge of the Additional Equity registered in accordance with Section 2.2 of this Agreement.

9.7 The Pledgor will take all necessary measures and sign all necessary documents (including but not limited to supplementary agreements to this Agreement) at the reasonable request of the Pledgee to guarantee the Pledgee's rights and interests in the Pledged Equity and the exercise and realization of such rights.

9.8 Should the exercise of the rights of pledge hereunder result in a transfer of any Pledged Equity, the Pledgor will take all measures to enable the realization of such transfer.

9.9 Unless the Pledgee issues a written instruction to the contrary in advance, the Pledgor and/or the Company agree that, if part or all of the Equity is transferred between the Pledgor and any third party ("Transferee") in violation of this Agreement (including by division and inheritance), the Pledgor and/or the Company shall ensure that the Transferee unconditionally recognizes the pledge and goes through the necessary pledge registration alteration procedures (including but not limited to signing relevant documents) to ensure the survival of the pledge .

9.10 If the Pledgee provides a loan to the Company, the Pledgor and/or the Company agree to grant the Pledgee a pledge on the equity to guarantee such further loan, and to perform the relevant procedures at the soonest time possible in accordance with the requirements of laws and regulations (if any), including but not limited to signing relevant documents and handling relevant pledge creation (or alteration) registration procedures.

9.11 To protect or improve the security interest granted hereunder, the Pledgor hereby promises to sign in good faith and to urge other parties interested in the pledge to sign all the certificates, agreements, deeds and/or commitments required by the Pledgee. The Pledgor also promises to perform and urge other parties interested in the pledge to carry out the actions required by the Pledgee, to promote the Pledgee to exercise the rights and authorizations granted to it hereunder, and to sign with the Pledgee or the person designated by the Pledgee all relevant documents in respect of the Equity ownership. The Pledgor agrees to provide the Pledgee with all notices, orders and decisions on the pledge at the requested of the Pledgee within a reasonable period of time.

9.12 If the Company needs to be dissolved or liquidated in accordance with the mandatory provisions of applicable laws, after such dissolution or liquidation procedures are completed according to law, any proceeds received by the Pledgor from the Company according to law shall be granted to the Pledgee or the person designated by the Pledgee subject to PRC Laws.

9.13 If the equity pledged hereunder is subject to any compulsory measures implemented by the court or other government departments for any reason, the Pledgor shall make all efforts, including (but not limited to) providing other guarantees to the court or taking other measures to release such compulsory measures taken by the court or other departments against the equity.

9.14 The Pledgor hereby warrants to the Pledgee that it will abide by and perform all warranties, commitments, agreements, statements and conditions under this Agreement. If the Pledgor fails to perform or partially performs its warranties, commitments, agreements, statements and conditions, the Pledgor shall compensate the Pledgee for all its losses suffered therefrom.

10 Undertakings by the Company

10.1 The Company will use every effort to assist with the obtaining of any consent, permission, waiver, authorization of any third party or any approval, license or exemption from any governmental body or the completion of any registration or filing formalities with any governmental body (if required by law), requisite in each case for the execution and performance of this Agreement and the creation of the Equity Pledge hereunder; and will maintain the same in full force and effect during the term hereof.

10.2 Without the prior written consent of the Pledgee, the Company will not assist or permit the Pledgor to create any new pledge or any other security interest on the Pledged Equity.

10.3 Without the prior written consent of the Pledgee, the Company will not assist or permit the Pledgor to transfer the Pledged Equity.

10.4 Without the prior written consent of the Pledgee, the Company shall not transfer its assets or create or permit to be created any security interest or other encumbrances that may affect the rights and interests of the Pledgee in the Equity.

10.5 Should there arises any suit, arbitration or other claims which are likely to have an adverse effect on the Company, the Pledged Equity or the Pledgee's interest under the Transaction Agreements and this Agreement, the Company undertakes that it will notify the Pledgee in writing of the same as promptly as possible without delay and will, in accordance with the reasonable request of the Pledgee, take all necessary measures to ensure the Pledgee's pledge rights and interests in and to the Pledged Equity.

10.6 The Company will not do or permit to be done any act or action likely to have an adverse effect on the interest of the Pledgee under the Transaction Agreements and this Agreement or on the Pledged Equity.

10.7 The Company will, during the first month of each calendar quarter, submit to the Pledgee the financial statements of the Company for the preceding calendar quarter, including (without limitation) the balance sheet, the income statement and the cash flow statement.

10.8 The Company will, in accordance with the reasonable request of the Pledgee, take all steps and execute all documents (including without limitation any supplement hereto) necessary to ensure the Pledgee's rights and interests of pledge in and to the Pledged Equity as well as the exercise and realization by the Pledgee of such rights and interests.

10.9 Should the exercise of the rights of pledge hereunder result in a transfer of any Pledged Equity, the Company undertakes that it will take all measures to enable the realization of such transfer.

10.10 The Company agrees to be severally and jointly liable to the Pledgee for the undertakings made by the Pledgor hereunder.

11 Fundamental Changes of Circumstances

As a supplementary agreement and without contravening other provisions of the Transaction Agreements and this Agreement, if, at any time, in the opinion of the Pledgee, as a result of any promulgation of or amendment to any PRC Law, regulation or rule, or of any change in the interpretation or application of such laws, regulations or rules, or of any change in relevant registration procedures, the maintaining of the validity of this Agreement and/or the disposal of the Pledged Equity in the manner prescribed hereunder becomes illegal or contravenes such laws, regulations or rules, the Pledgor and the Company shall, on the Pledgee's written instruction and in accordance with its reasonable request, immediately take any action and/or execute any agreement or other documents so as to:

(1) maintain the validity of this Agreement;

(2) facilitate the disposal of the Pledged Equity in the manner prescribed hereunder; and/or

(3) maintain or realize the security created or purported to be created hereunder.

12 Confidentiality

12.1 Irrespective of whether this Agreement has been terminated, each of the Parties shall maintain in strict confidence the following information:

(1) The execution and performance of this Agreement and the content of this Agreement;

(2) The trade secrets, proprietary information, and customer information of the Company or the Pledgee (hereinafter together with (1) collectively referred to as the "Confidential Information") that it learns or receives due to the execution and performance of this Agreement.

Each Party may use such Confidential Information only for the purpose of fulfilling its obligations hereunder. Without the written permission of the other Parties, no Party may disclose the above-mentioned Confidential Information to any third party, or it shall bear the liability for breach of contract and compensate for the losses of the other Parties.

12.2 After the termination of this Agreement, each Party shall return, destroy or otherwise deal with all documents, materials or software containing Confidential Information, and stop using such Confidential Information, at the request of any other Party.

12.3 Notwithstanding any other provisions hereof, the validity of this section shall not be affected by any dissolution or termination of this Agreement.

13 Effectiveness and Term of Agreement

13.1 This Agreement shall become effective as of being duly signed by the Parties.

13.2 The term of this Agreement shall end when the Contractual Obligations shall have been performed in full and when the Secured Indebtedness shall have been satisfied in full by the Pledgor and the Company.

14 Notice

All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, a commercial courier service or facsimile transmission to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

Notices given by personal delivery, courier service, registered mail or prepaid postage shall be deemed effectively given on the date of delivery.

Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

For the purpose of notices, the addresses of the Parties are as follows:

Beijing Liangzizhige Technology Co., Ltd.
Address: Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China
Recipient: Dong Xie
Email: [***]

Shenzhen Erwan Education Technology Co., Ltd.
Address: 417B3, Ruisheng Technology Building (Lvchuang Yungu), Gaoxin North 6th Road No.38, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, People's Republic of China
Recipient: Peng Li
Email: [***]

Feierlai (Beijing) Technology Co., Ltd.
Address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.
Recipient: Peng Li
Email: [***]

Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

15 Miscellaneous

15.1 Without the prior written consent of the Pledgee, neither the Pledgor nor the Company may assign its rights, obligations or liabilities hereunder to any third party. This Agreement shall be binding upon and inure to the benefit of the Pledgor and its respective successors and permitted assigns.

However, the Pledgee may, immediately upon notice to the Pledgor and the Company, assign its rights, obligations or liabilities hereunder to any third party, without the consent of the Pledgor or the Company. The successors or permitted assignees (if any) of the Pledgor and the Company shall be obligated to continue to perform each Pledgor's and the Company's respective obligations hereunder. If the Pledgee is changed due to such assignment, at the request of the Pledgee, the Pledgor and the new pledgee shall sign a new pledge contract on the same terms and conditions as this Agreement.

15.2 The sum of the Secured Indebtedness determined by the Parties through negotiation shall constitute the conclusive evidence for the Secured Indebtedness hereunder.

15.3 This Agreement is made in Chinese with three (3) originals, one (1) for each Party, each original has the same legal effect, and additional originals may be signed for registration or filing purposes (if required).

15.4 The execution, effectiveness, performance, amendment, construction and termination of this Agreement shall be governed by the laws of the PRC.

15.5 Any dispute arising out of or in connection with this Agreement shall be settled by the Parties through consultations and shall, in the absence of an agreement being reached by the Parties within 30 days of its occurrence, be brought before the China International Economic and Trade Arbitration Commission for arbitration in Beijing according to its arbitration rules, and the arbitration award shall be final and binding on the Parties.

15.6 No right, power or remedy empowered to any Party by any provision of this Agreement shall preclude any other right, power or remedy available to such Party in accordance with law or any other provision hereof and no exercise by a Party of any of its rights, powers and remedies shall preclude its exercise of its other rights, powers and remedies.

15.7 No failure or delay by a Party in exercising any right, power or remedy under this Agreement or laws ("Party's Rights") shall result in a waiver of such rights; and no single or partial waiver by a Party of the Party's Rights shall preclude such Party from exercising such rights in any other way or exercising the remaining part of the Party's Rights.

15.8 The section headings herein are inserted for convenience of reference only and shall in no event be used in or affect the interpretation of the provisions hereof.

15.9 Each provision contained herein shall be severable and independent of any other provisions hereof, and if at any time any one or more provisions hereof become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not be affected thereby.

15.10 Any amendment or supplement to this Agreement shall be made in writing and except where the Pledgee assigns its rights hereunder in accordance with Section 15.1, such amendments or supplements shall take effect only when properly signed by the Parties hereto.

15.11 This Agreement shall be binding on the legal successors of the Parties.

[No text below]

(No text on this page, this being a signature page to the *Equity Pledge Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed at the place and as of the date first above written.

Beijing Liangzizhige Technology Co., Ltd.

Authorized signatory: /s/ Chun Wang /s/ Seal

(No text on this page, this being a signature page to the *Equity Pledge Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed at the place and as of the date first above written.

Shenzhen Erwan Education Technology Co., Ltd.

Authorized signatory: /s/ Li Meng /s/ Seal

(No text on this page, this being a signature page to the *Equity Pledge Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed at the place and as of the date first above written.

Feierlai (Beijing) Technology Co., Ltd.

Authorized signatory: /s/ Jinshan Li /s/ Seal

Annex I:

Company Profile

Company Name: Feierlai (Beijing) Technology Co., Ltd.

Registered address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.

Registered capital: RMB 5 million

Legal representative: Jinshan Li

Ownership structure:

No.	Name of shareholder	Capital contribution (RMB10,000)	Ratio of contributions
1	Shenzhen Erwan Education Technology Co.,Ltd.	500	100%
Total		**500**	**100%**

Exhibit 10.7

IN ACCORDANCE WITH ITEM 601(B)(10)(IV) OF REGULATION S-K, CERTAIN IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THE EXHIBIT BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Beijing Liangzizhige Technology Co., Ltd.

Shenzhen Erwan Education Technology Co., Ltd.

and

Feierlai (Beijing) Technology Co., Ltd.

Exclusive Option Agreement

May 20, 2021

Exclusive Option Agreement

This Exclusive Option Agreement ("Agreement") is executed by and among the following Parties on May 20, 2021:

(1) Beijing Liangzizhige Technology Co., Ltd. (the "WFOE"), a wholly foreign-owned company duly incorporated and validly existing under the laws of the People's Republic of China, with its registered address at Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China;

(2) Shenzhen Erwan Education Technology Co., Ltd. (the "Existing Shareholder"), a limited liability company organized and existing under the laws of the People's Republic of China, with its registered address at 417B3, Ruisheng Technology Building (Lvchuang Yungu), Gaoxin North 6th Road No.38, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, People's Republic of China; and

(3) Feierlai (Beijing) Technology Co., Ltd. (the "Company"), a limited liability company organized and existing under the laws of the People's Republic of China, with its registered address at Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.

(In this Agreement, the above parties are individually referred to as a "Party" and collectively referred to as the "Parties".)

Whereas,

1. The Existing Shareholder is registered shareholder of the Company and holds all equity interests of the Company according to law. It's respective capital contribution and shareholding ratio in the Company as of the date hereof are as shown in Annex I hereto.

2. The Company and the Existing Shareholder agree to grant an irrevocable and exclusive option to the WFOE, according to which, the WFOE has the right to purchase all or part of the Company's equity interests and/or all or part of the Company's Assets and Businesses from the Existing Shareholder to the extent permitted by PRC laws.

3. Simultaneously with the execution of this Agreement, the WFOE and the Company entered into an Exclusive Consultancy and Service Agreement (as may be amended from time to time, the "Exclusive Service Agreement"), and the WFOE, the Existing Shareholder and the Company entered into an Equity Pledge Agreement (as may be amended from time to time, the "Equity Pledge Agreement") and a Voting Rights Proxy Agreement (as may be amended from time to time, the "Voting Rights Proxy Agreement").

Now therefore, upon mutual discussion and negotiation, the Parties have reached the following agreement:

1 Grant of Option

1.1 The Existing Shareholder and the Company hereby irrevocably and unconditionally grant the WFOE an irrevocable and exclusive right ("Option") to (a) require the Existing Shareholder to transfer to the WFOE and/or any one or more persons (each, a "Designee") designated by the WFOE all or part of their current or future equity in the Company (the "Equity"); or (b) require the Company to transfer to the WFOE and/or any other entity or individual designated by the WFOE all or part of its current or future assets ("Assets") and businesses ("Businesses"), to the extent permitted by PRC laws with the methods and steps determined by the WFOE and in the manner prescribed herein at one or multiple times at any time. The WFOE also agrees to accept the Option.

1.2 Except for the WFOE and its Designee(s), no third person shall have the Option or other rights in connection with the Equity, Assets or Businesses. The term "Equity" used herein refers to all shareholder's rights granted by PRC laws and the Company's articles of association to the Existing Shareholder due to their shareholder's qualifications, including but not limited to the right to earnings of the Company, the right to make major decisions, the right to select managers, etc. The term "Assets" used herein refers to the assets that are directly or indirectly owned or controlled by the Company from time to time in connection with the Company's business operations, including current assets, interest in external investment, fixed assets, intangible assets (including but not limited to patented and unpatented technology), deferred assets, the acquirable interests under all contracts concluded and any other benefits obtainable by the Company, including assets directly or indirectly owned or controlled by the Company's branches and offices from time to time. The term "Businesses" used herein refers to all businesses carried out by the Company from time to time. The term "Person" as used in the present section and elsewhere herein shall refer to any individual, corporation, joint venture, partnership, enterprise, trust or unincorporated organization. For the avoidance of doubt, the Option to purchase the Equity as set forth in Section 1.1 (a) above and the right to purchase the Company's Assets and Businesses as set forth in Section 1.1 (b) are not mutually exclusive. If it considers appropriate, the WFOE may exercise such rights at the same time, that is to say, the WFOE may acquire Assets and Businesses while it is transferred the Equity; the rights to purchase stipulated herein are the sole option of the WFOE, which does not mean that the WFOE has an obligation or commitment to acquire Equity and/or Assets and Businesses. For the further avoidance of doubt, the WFOE may exercise any of its rights hereunder, including the Option, at any time after this Agreement takes effect. To the fullest extent permitted by PRC laws, in case any Existing Shareholder dies or loses its civil capacity, the WFOE shall be entitled to exercise its rights hereunder, including the Option, against the Existing Shareholder or its legal heir or agent in accordance with the provisions of this Agreement.

2 Ways to exercise the Option

Under the conditions permitted by PRC laws, the WFOE has absolute discretion to decide when, how and how many times to exercise its Option. If, according to PRC laws then in effect, the WFOE and/or its Designee(s) is allowed to hold all of the Company's Equity or Assets and Businesses, the WFOE has the right to exercise its Option at one time or in installments, so that the WFOE and/or its Designee(s) may be transferred all Equity and/or Assets and Businesses from the Existing Shareholder or the Company at one time or in installments; if, according to PRC laws then in effect, the WFOE and/or its Designee(s) is only allowed to hold part of the Company's Equity or Assets and Businesses, the WFOE has the right to determine the amount of Equity and/or Assets and Businesses to be transferred within the scope not exceeding the upper limit proportion ("Ceiling") stipulated by PRC laws then in effect, and the WFOE and/or its Designee(s) may be transferred Equity and/or Assets and Businesses from the Existing Shareholder or the Company in such amount. In the latter case, the WFOE has the right to, with the gradual release of the Ceiling permitted by PRC laws, exercise its purchase rights in stages, so as to finally obtain all the Equity and/or Assets and Businesses. Upon each exercise, the WFOE has the right to decide the amount of Equity, Assets and Businesses to be transferred by the Existing Shareholder and/or the Company to the WFOE and/or its Designee(s) during the exercise, according to which the Existing Shareholder and the Company shall respectively transfer Equity, Assets and Businesses to the WFOE and/or its Designee(s). After each exercise, the WFOE shall issue a notice of exercise of the Option to the Existing Shareholder and/or the Company (the "Exercise Notice", the format of which is shown in Annex II hereto). Upon receipt of an Exercise Notice, the Existing Shareholder and/or the Company shall immediately transfer all the Equity, Assets and Businesses specified in the Exercise Notice to the WFOE and/or its Designee(s) in the manner described in Section 2 hereof pursuant to the Exercise Notice. The Existing Shareholder and the Company hereby severally and jointly warrant and covenant that once the WFOE issues an Exercise Notice: it shall immediately convene a shareholders' meeting and meetings of its board of directors, and thereon pass resolutions including the waiver of the right of first refusal, and take all other necessary actions, approving the transfer of the Equity, Assets and Businesses specified in the Exercise Notice to the WFOE and/or its Designee(s) at the price (the "Transfer Price") determined in accordance with Section 3 hereof; it shall immediately sign an equity transfer agreement or an asset transfer agreement with the WFOE and/or its Designee(s), and transfer the Equity, Assets and Businesses specified in the Exercise Notice to the WFOE and/or its Designee(s) at the Transfer Price; and the relevant Parties shall execute all other necessary contracts, agreements or documents (including but not limited to amendments to the Company's articles of association), obtain all necessary government licenses, permits, registrations or filings (including but not limited to alteration to the Company's business license, transfer of property right, modification of IPR registration, etc.), take all necessary actions to transfer valid ownership of the Equity, Assets and Businesses purchased to the WFOE and/or its Designee(s), free from any security interests and other unfavorable claims, and cause the WFOE and/or its Designee(s) to become the registered owner(s) thereof, so that the WFOE and/or its Designee(s) may obtain all the transferred Equity, Assets and Businesses specified in the Exercise Notice without legal defects. For the purpose of this section and this Agreement, "security interests" shall include securities, mortgages, third party's rights or interests, any stock options, acquisition right, right of first refusal, right to offset, ownership retention or other security arrangements, but shall be deemed to exclude any security interest created by this Agreement and the Equity Pledge Agreement.

3. Transfer Price

3.1 Whenever the WFOE exercises the Option, the entire Transfer Price to be paid by the WFOE and/or its Designee(s) to the Existing Shareholder and the Company shall be the lowest price allowed by PRC laws at the time of exercise. The Existing Shareholder and the Company hereby irrevocably agree that: if the applicable law then requires that the Transfer Price of the Company's Equity must be based on the appraised value thereof, and (1) the appraised value is higher than the amount corresponding to the Company's registered capital, the Existing Shareholder and the Company will waive the part of the appraised value that is higher than the amount corresponding to the Company's registered capital in a legitimate manner, or return the difference to the WFOE and/or its Designee(s) in a legitimate manner after the receipt thereof; or (2) the appraised value is lower than the amount corresponding to the Company's registered capital, the Parties agree to take the appraised value as the Transfer Price.

3.2 The Existing Shareholder and the Company hereby irrevocably agree that, upon receipt of such Transfer Price from the WFOE and/or its Designee(s), it shall return the price to the WFOE and/or any other entity or individual designated by the WFOE within ten (10) working days in a manner consistent with the law.

4. Representations and Warranties

4.1 The Existing Shareholder hereby represents and warrants as follows, and such representations and warranties shall remain valid, as if made at the time of the transfer of Equity, Assets and Businesses.

4.1.1 The Existing Shareholder is a Chinese enterprise with full capacity; it has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and may independently act as a subject of litigation.

4.1.2 The Company is a limited liability company duly incorporated and validly existing under the laws of the People's Republic of China, with independent legal personality; it has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and may independently act as a subject of litigation.

4.1.3 It has full power and authority to execute and deliver this Agreement and all other documents to be executed by it in connection with the transaction contemplated by this Agreement, and has full power and authority to consummate the transactions contemplated hereunder and to perform its obligations under this Agreement and any other transfer agreement.

4.1.4 This Agreement has been duly and properly executed and delivered by the Existing Shareholder. This Agreement shall constitute a legal and binding obligation on it and is enforceable against it pursuant to the terms hereof.

4.1.5 The Existing shareholder is a legal owner of record of the Company when this Agreement comes into effect, and has complete and merchantable ownership of its Equity in the Company. Except for the rights created by this Agreement, the Equity Pledge Agreement signed with the Company and the WFOE, and Voting Rights Proxy Agreement signed with the WFOE and the Company, there is no lien, pledge, right of claim or other security interests and third party rights on the Equity, Assets and Businesses. According to this Agreement, the WFOE and/or its Designee(s) will acquire good title to the Equity, Assets and Businesses free of lien, pledge, right of claim or other security interests and third-party rights after the exercise of the Option.

4.1.6 Neither the execution and delivery of this Agreement or any transfer agreement nor the performance of the obligations hereunder or thereunder will: (i) cause any violation of any applicable laws; (ii) be inconsistent with the articles of association or other organizational documents of the Company; (iii) cause the violation of any contracts or instruments to which they are a party or by which they are bound, or constitute any breach under any contracts or instruments to which they are a party or by which they are bound; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them.

4.1.7 The Company has complied with all applicable laws and regulations applicable to asset acquisitions, and there is no pending or threatened litigation, arbitration or administrative proceedings relating to the Equity, Assets or Businesses of the Company or the Company.

4.2 The Company hereby represents and warrants as follows:

4.2.1 The Company is a limited liability company duly incorporated and validly existing under the laws of the People's Republic of China, with independent legal personality. The Company has full and independent legal status and legal capacity to execute, deliver and perform this Agreement, and may independently act as a subject of litigation.

4.2.2 The Company has full corporate power and authority to execute and deliver this Agreement and all other documents to be executed by it in relation to the transaction contemplated hereby, and has full corporate power and authority to consummate the transactions contemplated hereunder.

4.2.3 This Agreement has been duly and properly executed and delivered by the Company. This Agreement constitutes a legal and binding obligation on it.

4.2.4 The Existing shareholder is a legal owner of record of the Company when this Agreement comes into effect, and has complete and merchantable ownership of its Equity in the Company. The Company has good and merchantable title to all its Assets and Businesses. According to this Agreement, the WFOE and/or its Designee(s) will acquire good title to the Equity, Assets and Businesses transferred free of lien, pledge, right of claim or other security interests and third party rights after the exercise of the Option.

4.2.5 The Company has complete business licenses required for its operations when this Agreement comes into effect, and has full rights and qualifications to carry out its business in China. Since its establishment, the Company has been operating according to law, and there has been no actual or possible violation of the regulations and requirements of industry and commerce, taxation, culture, quality and technology supervision, labor and social security, and other government departments, and no dispute over breach of contract.

4.2.6 Neither the execution and delivery of this Agreement or any transfer agreement nor the performance of the obligations hereunder or thereunder will: (i) cause any violation of any applicable laws; (ii) be inconsistent with the articles of association or other organizational documents of the Company; (iii) cause the violation of any contracts or instruments to which they are a party or by which they are bound, or constitute any breach under any contracts or instruments to which they are a party or by which they are bound; (iv) cause any violation of any condition for the grant and/or continued effectiveness of any licenses or permits issued to either of them; or (v) cause the suspension or revocation of or imposition of additional conditions to any licenses or permits issued to either of them.

4.2.7 The Company has no outstanding debts, except for (i) debts incurred in the ordinary course of business; and (ii) debts disclosed to the WFOE for which the WFOE's written consent has been obtained; if the Company is dissolved or liquidated as required by PRC laws, it shall sell all its Assets to the WFOE or the Designee(s) to the extent permitted by PRC laws at the lowest price permitted by PRC laws. The Company shall exempt the WFOE or its Designee(s) from any payment obligation arising therefrom to the extent permitted by appliable PRC laws then in effect; or any proceeds from the transaction shall be paid to the WFOE or its Designee(s) as part of the service fees under the Exclusive Service Agreement to the extent permitted by appliable PRC laws then in effect;

4.2.8 The Company has complied with all applicable laws and regulations applicable to asset acquisitions, and there is no pending or threatened litigation, arbitration or administrative proceedings relating to the Equity, Assets or Businesses of the Company or the Company.

5. Covenants of the Existing Shareholder

The Existing Shareholder hereby covenants as follows:

5.1 During the validity period of this Agreement, it must take all necessary measures to enable the Company to promptly obtain all business licenses required for its business operations and to keep all such licenses valid at all times.

5.2 During the validity period of this Agreement, without the prior written consent of the WFOE:

5.2.1 The Existing Shareholder may not transfer or otherwise dispose of any Equity, Assets or Businesses, or create any security interests or other third-party rights thereon;

5.2.2 It may not increase or decrease the Company's registered capital or otherwise change the Company's structure of registered capital;

5.2.3 It may not sell, transfer, mortgage or otherwise dispose of or procure the Company's management to sell, transfer, mortgage or otherwise dispose of the legitimate or beneficial interests in any Assets, Businesses or income of the Company, or allow the creation of any security interest or other encumbrance thereon (except those that occur in the ordinary course of business);

5.2.4 It may not execute or terminate or procure the management of the Company to execute or terminate any major agreement signed by the Company, or execute any other agreement that conflicts with the existing major agreements;

5.2.5 It may not procure the Company to enter into transactions that may materially affect the Company's assets, responsibilities, business operations, shareholding structure, equity held in third parties and other legitimate rights (except those that occur in the ordinary course of business);

5.2.6 It may not appoint or remove any director, supervisor or other managers of the Company who shall be appointed or removed by the Existing Shareholder;

5.2.7 It may not declare the distribution or actually distribute any distributable profits, bonus or dividends, or vote for the foregoing declaration or distribution;

5.2.8 It shall guarantee the valid existence of the Company and prevent the Company from termination, liquidation or dissolution;

5.2.9 It may not substantially modify the Company's articles of association in any form; and

5.2.10 It shall keep the Company from giving or borrowing loans, or from providing guarantees or giving other forms of security, or from undertaking any substantive obligations beyond the ordinary course of business.

5.3 During the validity period of this Agreement, it must do its utmost to develop the Company's business and guarantee legitimate and compliant operations of the Company. It will have no act or omission that may damage the Company's assets or goodwill or affect the validity of the Company's business license, and will procure the Company to perform its obligations under the Exclusive Service Agreement signed as of the date hereof. If the Existing Shareholder has any outstanding rights to the Equity under this Agreement or under the Equity Pledge Agreement signed by the Parties hereunder or under the Voting Rights Proxy Agreement granted to the WFOE as the beneficiary, unless otherwise instructed by the WFOE in writing, the Existing shareholder may not exercise such rights.

5.4 If the WFOE exercises the Option to purchase Assets and Businesses, after the WFOE or its Designee(s) are transferred all or part of the Company's Assets and Businesses and start the operations thereof, the Company and its affiliates may no longer engage in any way in businesses which are the same with or similar to those involved in the Businesses or Assets transferred and/or which would compete with the aforementioned businesses.

5.5 It shall immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Company's Equity, Assets, Businesses or income; to maintain the Company's ownership of all its Assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate appeals or make necessary and appropriate defenses to all claims.

5.6 At the request of the WFOE, it shall provide the WFOE with all materials about the Company's operations and financial status.

5.7 The Existing Shareholder shall procure the Company's shareholders meeting or board of directors to vote for the transfer of the Equity and/or Assets and Businesses purchased as specified in this Agreement and to take any and all other actions that the WFOE may require.

5.8 At the request of the WFOE at any time, the Existing Shareholder shall immediately and unconditionally transfer its Equity in the Company to the WFOE and/or the Designee(s) pursuant to the Option hereunder.

6. Covenants of the Company

6.1 If the execution and performance of this Agreement and the granting of the Option hereunder require the consent, permission, waiver, authorization of any third party, or approval, permission, release from, or registration or filing with any government agency (if required by law), the Company shall satisfy such conditions.

6.2 During the validity period of this Agreement, without the prior written consent of the WFOE:

6.2.1 The Company will not assist or allow the Existing Shareholder to transfer or otherwise dispose of any Equity, Assets or Businesses, or create any security interests or other third-party rights thereon;

6.2.2 The Company may not increase or decrease the Company's registered capital or otherwise change the Company's structure of registered capital;

6.2.3 The Company may not sell, transfer, mortgage or otherwise dispose of or procure the Company's management to sell, transfer, mortgage or otherwise dispose of the legitimate or beneficial interests in any Assets, Businesses or income of the Company, or allow the creation of any security interest or other encumbrance thereon (except those that occur in the ordinary course of business);

6.2.4 The Company may not execute or terminate or procure its management to execute or terminate any major agreement signed by the Company, or execute any other agreement that conflicts with the existing major agreements;

6.2.5 The Company may not procure the Company to enter into transactions that may materially affect the Company's assets, responsibilities, business operations, shareholding structure, equity held in third parties and other legitimate rights (except those that occur in the ordinary course of business);

6.2.6 It may not declare the distribution or actually distribute any distributable profits, bonus or dividends, or vote for the foregoing declaration or distribution;

6.2.7 It shall guarantee the valid existence of the Company and prevent the Company from termination, liquidation or dissolution;

6.2.8 It shall keep the Company from giving or borrowing loans, or from providing guarantees or giving other forms of security, or from undertaking any substantive obligations beyond the ordinary course of business.

6.3 The Company may not carry out or allow any behavior or action that may have a material adverse effect on the WFOE's interest hereunder, including but not limited to: selling, transferring, mortgaging or otherwise disposing of any of its own Assets, Businesses, income or other legal rights, or allowing any security interests or other third-party rights to be imposed on such Assets, Businesses, income, or other legal rights (except those arising in the ordinary course of business).

6.4 If the WFOE exercises the Option to purchase Assets and Businesses, after the WFOE or its Designee(s) are transferred all or part of the Company's Assets and Businesses and start the operations thereof, the Company and its affiliates may no longer engage in any way in businesses which are the same with or similar to those involved in the Businesses or Assets transferred and/or which would compete with the aforementioned businesses.

6.5 At the request of the WFOE, it shall provide the WFOE with all materials about the Company's operations and financial status.

6.6 It shall immediately notify the WFOE of the occurrence or possible occurrence of any litigation, arbitration or administrative proceedings relating to the Company's Equity, Assets, Businesses or income; to maintain the Company's ownership of all its Assets, it shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate appeals or make necessary and appropriate defenses to all claims.

6.7 At the request of the WFOE at any time, the Company shall immediately and unconditionally transfer its Assets and Businesses to the WFOE and/or the Designee(s) pursuant to the Option hereunder.

7. Confidentiality

7.1 Irrespective of whether this Agreement has been terminated, each of the Parties shall maintain in strict confidence the following information:

(1) The execution and performance of this Agreement and the content of this Agreement;

(2) The trade secrets, proprietary information and customer information about the WFOE coming into its knowledge during the entry into and performance of this Agreement; and

(3) The Company's trade secrets, proprietary information, and customer information (hereinafter together with (1) and (2) collectively referred to as the "Confidential Information") that it learns or receives as a shareholder of the Company.

Each Party may use such Confidential Information only for the purpose of fulfilling its obligations hereunder. Without the written permission of the other Party, no Party may disclose the above-mentioned Confidential Information to any third party, or it shall bear the liability for breach of contract and compensate for the losses of the other Party.

7.2 After the termination of this Agreement, each Party shall return, destroy or otherwise deal with all documents, materials or software containing Confidential Information, and stop using such Confidential Information, at the request of the other Party.

7.3 Notwithstanding any other provisions hereof, the validity of this section shall not be affected by any dissolution or termination of this Agreement.

8. Term

This Agreement will take effect upon official signature by the Parties, and shall remain effective until all Equity and/or Assets and Businesses have been transferred to the WFOE and/or the Designee(s) in accordance with the provisions of this Agreement.

9. Notice

All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, a commercial courier service or facsimile transmission to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

Notices given by personal delivery, courier service, registered mail or prepaid postage shall be deemed effectively given on the date of delivery.

Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

For the purpose of notices, the addresses of the Parties are as follows:

Beijing Liangzizhige Technology Co., Ltd.
Address: Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China
Recipient: Dong Xie
Email: [***]

Shenzhen Erwan Education Technology Co., Ltd.
Address: 417B3, Ruisheng Technology Building (Lvchuang Yungu), Gaoxin North 6th Road No.38, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, People's Republic of China
Recipient: Peng Li
Email: [***]

Feierlai (Beijing) Technology Co., Ltd.
Address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.
Recipient: Peng Li
Email: [***]

Any Party may at any time change its address for notices by a notice delivered to the other Parties in accordance with the terms hereof.

10. Default Liabilities

10.1 The Parties agree and acknowledge that, if any Party (hereinafter the "Defaulting Party") conducts any material breach of any term of this Agreement, or materially fails to perform any of its obligations hereunder, such breach or failure shall constitute a default under this Agreement (hereinafter a "Default"), then any non-defaulting Party shall be entitled to demand the Defaulting Party to rectify such Default or take remedial measures within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial measures within such reasonable period or within 15 days following the written notice issued by the non-defaulting Party and the rectification requirement, the non-defaulting Party shall be entitled to decide to, at its discretion:

(1) Require the Defaulting Party to indemnify all the damages; or

(2) Require the specific performance of the obligations of the Defaulting Party under this Agreement, and require the Defaulting Party to indemnify all damages.

10.2 The Parties agree and confirm that, unless otherwise provided by law or this Agreement, under no circumstance may the Existing Shareholder and the Company require the termination or dissolution of this Agreement for any reason.

10.3 Notwithstanding any other provisions hereof, the validity of this section shall not be affected by any dissolution or termination of this Agreement.

11. Miscellaneous

11.1 This Agreement is written in Chinese with three (3) originals, and one (1) for each Party. Each original has the same legal effect.

11.2 The execution, effectiveness, performance, amendment, construction and termination of this Agreement shall be governed by the laws of the PRC.

11.3 Any dispute arising out of or in connection with this Agreement shall be settled by the Parties through consultations and shall, in the absence of an agreement being reached by the Parties within 30 days of its occurrence, be brought before the China International Economic and Trade Arbitration Commission for arbitration in Beijing according to its current arbitration rules, and the arbitration award shall be final and binding on the Parties.

11.4 No right, power or remedy empowered to any Party by any provision of this Agreement shall preclude any other right, power or remedy enjoyed by such Party in accordance with law or any other provisions hereof and no exercise by a Party of any of its rights, powers and remedies shall preclude its exercise of its other rights, powers and remedies.

11.5 No failure or delay by a Party in exercising any right, power or remedy under this Agreement or laws ("Party's Rights") shall result in a waiver of such rights; and no single or partial waiver by a Party of the Party's Rights shall preclude such Party from exercising such rights in any other way or exercising the remaining part of the Party's Rights.

11.6 The section headings herein are inserted for convenience of reference only and shall in no event be used in or affect the interpretation of the provisions hereof.

11.7 Each provision contained herein shall be severable and independent of any other provisions hereof, and if at any time any one or more provisions hereof become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not be affected thereby.

11.8 Once executed, this Agreement shall replace any prior legal instrument between the Parties relating to the subject matter hereof. Any amendment or supplement to this Agreement shall be made in writing and shall take effect only when properly signed by the Parties hereto.

11.9 Neither Party may assign any of its rights or obligations hereunder to any third party without the written consent of the other Party.

11.10 This Agreement shall be binding on the legal successors of the Parties.

11.11 Each Party shall pay any and all taxes and dues incurred thereby or levied thereon in accordance with PRC laws in connection with the preparation and execution of this Agreement and each Asset/Equity/Business transfer agreement as well as the consummation of the transactions contemplated hereunder and thereunder.

[No text below]

(No text on this page, this being a signature page to the *Exclusive Option Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be executed at the place and as of the date first above written.

Beijing Liangzizhige Technology Co., Ltd.

Authorized signatory: /s/ Chun Wang /s/ Seal

(No text on this page, this being a signature page to the *Exclusive Option Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be executed at the place and as of the date first above written.

Shenzhen Erwan Education Technology Co., Ltd.

Authorized signatory: /s/ Li Meng /s/ Seal

(No text on this page, this being a signature page to the *Exclusive Option Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Exclusive Option Agreement to be executed at the place and as of the date first above written.

Feierlai (Beijing) Technology Co., Ltd.

Authorized signatory: /s/ Jinshan Li /s/ Seal

Annex I:

Company Profile

Company Name: Feierlai (Beijing) Technology Co., Ltd.

Registered address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.

Registered capital: RMB 5 million

Legal representative: Jinshan Li

Ownership structure:

No.	Name of shareholder	Capital contribution (RMB10,000)	Ratio of contributions
1	Shenzhen Erwan Education Technology Co., Ltd.	500	100%
Total		**500**	**100%**

Annex II:

Format of Exercise Notice

(I)

To: Shenzhen Erwan Education Technology Co., Ltd.

Whereas, we entered into an Exclusive Option Agreement ("Exclusive Option Agreement") with you and Feierlai (Beijing) Technology Co., Ltd. (hereinafter referred to as the "Company") on _____, according to which, to the extent permitted by PRC laws and regulations, you shall transfer your Equity in the Company to us and/or any third party designated by us as required.

Therefore, we hereby send you this Notice as follows:

We hereby request the exercise of the option under the Exclusive Option Agreement. That is to say, we/ _____ designated by us will be transferred____% of the Company's Equity held by you (hereinafter referred to as the "Equity Transferred"). Please transfer all the Equity Transferred to us /_____ in accordance with the terms of the Exclusive Option Agreement immediately after receiving this Notice.

Sincerely yours,

Beijing Liangzizhige Technology Co., Ltd.

(seal)

Authorized signatory: _____

Date:

Format of Exercise Notice

(II)

To: Feierlai (Beijing) Technology Co., Ltd.

Whereas, we entered into an Exclusive Option Agreement ("Exclusive Option Agreement") with you, and Shenzhen Erwan Education Technology Co., Ltd. on _____, according to which, to the extent permitted by PRC laws and regulations, you shall transfer your Assets and Businesses to us and/or any third party designated by us as required.

Therefore, we hereby send you this Notice as follows:

We hereby request the exercise of the option under the Exclusive Option Agreement. That is to say, we/ _____ designated by us will be transferred the following Assets and Businesses: _____ (hereinafter referred to as the "Assets and Businesses Transferred"). Please transfer all the Assets and Businesses Transferred to us /_____ in accordance with the terms of the Exclusive Option Agreement immediately after receiving this Notice.

Sincerely yours,

Beijing Liangzizhige Technology Co., Ltd.

(seal)

Authorized signatory: _____

Date:

Exhibit 10.8

IN ACCORDANCE WITH ITEM 601(B)(10)(IV) OF REGULATION S-K, CERTAIN IDENTIFIED INFORMATION HAS BEEN OMITTED FROM THE EXHIBIT BECAUSE IT IS BOTH (1) NOT MATERIAL AND (2) THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL. [***] INDICATES THAT INFORMATION HAS BEEN REDACTED.

Beijing Liangzizhige Technology Co., Ltd.

Shenzhen Erwan Education Technology Co., Ltd.

and

Feierlai (Beijing) Technology Co., Ltd.

Voting Rights Proxy Agreement

May 20, 2021

Voting Rights Proxy Agreement

This Voting Rights Proxy Agreement (the "Agreement") is executed by and among the following Parties on **May 20, 2021**:

1. Beijing Liangzizhige Technology Co., Ltd. (the "WFOE"), a wholly foreign-owned company duly incorporated and validly existing under the laws of the People's Republic of China, with its registered address at Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China;

2. Shenzhen Erwan Education Technology Co., Ltd. (the "Shareholder"), a limited liability company organized and existing under the laws of the People's Republic of China, with its registered address at 417B3, Ruisheng Technology Building (Lvchuang Yungu), Gaoxin North 6th Road No.38, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, People's Republic of China; and

3. Feierlai (Beijing) Technology Co., Ltd. (the "Company"), a limited liability company organized and existing under the laws of the People's Republic of China, with its registered address at Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.

(In this Agreement, the above parties are individually referred to as a "Party" and collectively referred to as the "Parties".)

Whereas,

1. Shenzhen Erwan Education Technology Co., Ltd. is the existing Shareholder of the Company, jointly holding 100% of the equity interest in the Company; and

2. The Shareholder intends to entrust the WFOE or the individual designated by the WFOE to exercise all rights related to equity they have in the Company as the shareholder of the Company, and the WFOE intends to accept such entrustment hereunder.

NOW, THEREFORE, the Parties, after friendly negotiations, hereby agree below:

1. Voting Right Entrustment

1.1 The Shareholder hereby unconditionally and irrevocably authorize and entrust the WFOE or the individual designated by the WFOE (hereinafter, the "Agent") as the sole agent and attorney of the Shareholder, to act on behalf of the Shareholder in respect of all matters relating to shareholders' equity pursuant to the then-effective articles of association of the Company, including but not limited to exercise the following rights (collectively the "Entrusted Rights"):

(1) Attending shareholders' meetings of the Company as proxy of the Shareholders (including but not limited to extraordinary shareholders' meetings);

(2) Exercising voting rights on behalf of the Shareholders on all issues (including but not limited to appointment, election and removal of the legal representative, directors, supervisors, employment and dismissal of general manager, deputy general managers, officer in charge of finance and other senior management of the Company) required to be discussed and resolved by the shareholders' meeting, and selling, transferring or pledging all or part of the shareholders' equity in the Company;

(3) Proposing to convene shareholders' meetings (including but not limited to extraordinary shareholders' meetings); and

(4) Other shareholder rights under the articles of association of the Company (including such other shareholder rights as provided after amendment to such articles of association).

1.2 The Shareholder shall execute a Power of Attorney (in the format set forth in Annex I to this Agreement, hereinafter referred to as the "Power of Attorney") upon the execution of this Agreement. When a written notice is issued by the WFOE to the Shareholder with respect to the removal of the Agent, the Shareholder shall immediately entrust any other individual then designated by the WFOE to exercise the Entrusted Rights and execute a Power of Attorney. The new Power of Attorney shall supersede the previous one once it is executed. Except for the above circumstances, the Shareholder shall not revoke the authorization and entrustment to the Agent.

1.3 The Agent shall perform the entrusted obligations lawfully with diligence and duty of care within the authorization scope hereunder. The Shareholder shall acknowledge and be liable to any legal consequences arising from the Agent's exercise of the aforesaid Entrusted Rights. All acts of the Agent in respect of the Company's equity shall be deemed to be acts of the Shareholder, and all documents signed by the Agent shall be deemed to have been signed by the Shareholder, which the Shareholder shall recognize. During the term of this Agreement, the Shareholder hereby waives all rights granted to the Agent in respect of its equity by this Agreement, who shall not exercise such rights by itself.

1.4 The Shareholder hereby acknowledges that in exercising the aforesaid Entrusted Rights, the Agent is not required to seek the prior opinions of the Shareholder, provided that an advance notice shall be given. The Agent shall inform the Shareholder in a timely manner of any resolution or proposal on convening a shareholders' meeting (including but not limited to an extraordinary shareholders' meeting).

1.5 The Shareholder agrees that, the WFOE has the right to delegate or assign its rights relating to the above matters to any other person at its discretion without prior notice to or consent from the Shareholder.

2. Right to Information

For the purpose of exercising the Entrusted Rights hereunder, the Agent is entitled to have access to the information including the Company's operation, business, clients, finance, staff, etc. and access to relevant materials of the Company. The Company shall fully cooperate with the Agent in this regard.

3. Exercise of Entrusted Rights

3.1 The Shareholder shall provide sufficient assistance to the Agent for its exercise of the Entrusted Rights, including prompt execution of the resolutions of the shareholders' meeting of the Company or other related legal documents made by the Agent when necessary (e.g., when the submission of such documents is necessary for the approval of, or registration or filing with government authorities). If any government department requires the relevant documents to be executed by the Shareholder itself, the Shareholder shall execute such documents and take corresponding actions as instructed by the Agent.

3.2 If at any time within the term of this Agreement, the granting or exercise of the Entrusted Rights hereunder is unenforceable for any reason (except for default by the Shareholder or the Company), the Parties shall immediately seek a most similar substitute for the provision unenforceable and, if necessary, enter into a supplementary agreement to amend or adjust the provisions herein, so as to ensure the fulfillment of the purpose hereof.

4. Exemption and Indemnification

4.1 The Parties acknowledge that, in no circumstance, the Agent shall be required to be liable for or make any economic or other indemnification to any other Party hereto or any third party as a result of the exercise of the Entrusted Rights hereunder.

4.2 The Company and the Shareholder agree to indemnify and hold harmless the Agent against all losses which it suffers or may suffer in connection with the Agent's exercise of the Entrusted Rights, including but not limited to, any loss resulting from any litigation, demand, arbitration, claim initiated by any third party against them, and losses from administrative investigation or penalty by government authorities. However, losses suffered as a result of the intentional misconduct or gross negligence of the Agent shall not be indemnified.

5. Representations and Warranties

5.1 The Shareholder hereby respectively represents and warrants as follows:

5.1.1 The Shareholder is a Chinese enterprise with full capacity and with full and independent legal status and legal capacity, and may act independently as a subject of actions.

5.1.2 The Shareholder has full power and authority to execute and deliver this Agreement and all other documents to be entered into by it which are related to the transaction contemplated hereunder, as well as to consummate such transaction.

5.1.3 This Agreement shall be duly and lawfully executed and delivered by the Shareholder and shall constitute the legal and binding obligations, enforceable against it in accordance with the terms hereof.

5.1.4 The Shareholder is the registered lawful shareholder of the Company as of the effective date hereof, and except the rights created by this Agreement, the *Equity Pledge Agreement (as may be amended from time to time)* between the Shareholder and the WFOE and the *Exclusive Option Agreement* among the Shareholder, the Company and the WFOE, both dated May 20, 2021, there is no third-party rights on the Entrusted Rights. Pursuant to this Agreement, the Agent may completely and sufficiently exercise the Entrusted Rights in accordance with the then-effective articles of association of the Company.

5.2 The WFOE and the Company hereby respectively represent and warrant as follows:

5.2.1 Each of them is a limited liability company duly registered and validly existing under the PRC laws, with an independent corporate personality, and has full and independent legal status and legal capacity to execute, deliver and perform this Agreement and may act independently as a subject of actions.

5.2.2 Each of them has the full internal power and authority to execute and deliver this Agreement and all other documents to be entered into by it related to the transaction contemplated hereunder, and has the full power and authority to consummate such transaction hereunder.

5.3 The Company further represents and warrants that the Shareholder is the registered lawful shareholder of the Company as of the effective date of this Agreement. Pursuant to this Agreement, the Agent may completely and sufficiently exercise the Entrusted Rights in accordance with the then-effective articles of association of the Company.

6. Confidentiality

6.1 Irrespective of whether this Agreement has been terminated, each of the Parties shall maintain in strict confidence the following information:

(1) The execution and performance of this Agreement and the content of this Agreement;

(2) The trade secrets, proprietary information and customer information about the Company or the WFOE coming into its knowledge during the entry into and performance of this Agreement. (Hereinafter together with (1) referred to as "Confidential Information").

Each Party may use such Confidential Information only for the purpose of fulfilling its obligations hereunder. Without the written permission of the other Party, no Party may disclose the above-mentioned Confidential Information to any third party, or it shall bear the liability for breach of contract and compensate for the losses of the other Party.

6.2 After the termination of this Agreement, each Party shall return, destroy or otherwise deal with all documents, materials or software containing Confidential Information, and stop using such Confidential Information, at the request of the other Party.

6.3 Notwithstanding any other provisions hereof, the validity of this section shall not be affected by any suspension or termination of this Agreement.

7. Term

7.1 This Agreement becomes effective on the date of due execution by the Parties hereto, and shall continue in force until it is terminated in advance by written agreement of the Parties or automatically terminated in accordance with the provisions of Section 7.2 hereof or early terminated in accordance with the provisions of Section 9.1 hereof.

7.2 This Agreement will be automatically terminated when the equity in the Company is fully transferred to the WFOE and/or the person designated by the WFOE in accordance with the *Exclusive Option Agreement* executed by the Parties.

8. Notice

All notices and other communications required or permitted to be given pursuant to this Agreement shall be delivered personally or sent by registered mail, prepaid postage, a commercial courier service or facsimile transmission to the address of such Party set forth below. The dates on which notices shall be deemed to have been effectively given shall be determined as follows:

Notices given by personal delivery, courier service, registered mail or prepaid postage shall be deemed effectively given on the date of delivery.

Notices given by facsimile transmission shall be deemed effectively given on the date of successful transmission (as evidenced by an automatically generated confirmation of transmission).

For the purpose of notices, the addresses of the Parties are as follows:

Beijing Liangzizhige Technology Co., Ltd.
Address: Room710, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People’s Republic of China
Recipient: Dong Xie
Email: [***]

Shenzhen Erwan Education Technology Co., Ltd.
Address: 417B3, Ruisheng Technology Building (Lvchuang Yungu), Gaoxin North 6th Road No.38, Songpingshan Community, Xili Street, Nanshan District, Shenzhen, Guangdong, People’s Republic of China
Recipient: Peng Li
Email: [***]

Feierlai (Beijing) Technology Co., Ltd.
Address: Room707, 5/F, Building No. 1, Zone No. 1, Ronghe Road, Chaoyang District, Beijing, People's Republic of China.
Recipient: Peng Li
Email: [***]

Any Party may at any time change its address for notices by a notice delivered to the other Party in accordance with the terms hereof.

9. Default Liabilities

9.1 The Parties agree and acknowledge that, if any Party (hereinafter the "Defaulting Party") commits material breach of any provision hereof, or materially fails to perform any obligation hereunder, such breach or failure shall constitute a default under this Agreement (hereinafter a "Default"), then the non-defaulting Party (hereinafter the "Non-defaulting Party") shall be entitled to demand the Defaulting Party to rectify such Default or take remedial measures within a reasonable period. If the Defaulting Party fails to rectify such Default or take remedial measures within such reasonable period or within 15 days following the written notice issued by the Non-defaulting Party and the rectification requirement, the Non-defaulting Party shall be entitled to decide to, at its discretion: (1) dissolve this Agreement and require the Defaulting Party to indemnify all the damages; or (2) require the performance of the obligations hereunder and require the Defaulting Party to indemnify all the damages.

9.2 The Parties agree and acknowledge that, notwithstanding the provisions of Section 9.1 above, the Shareholder or the Company shall in no circumstance be entitled to demand for termination of this Agreement in advance unless otherwise provided by law.

9.3 Notwithstanding any other provisions herein, the validity of this section shall survive the dissolution or termination of this Agreement.

10. Miscellaneous

10.1 This Agreement is made in Chinese with three (3) originals, and one (1) for each Party. Each original has the same legal effect.

10.2 The execution, effectiveness, performance, amendment, construction and termination of this Agreement shall be governed by the laws of the PRC.

10.3 Any dispute arising from and in connection with this Agreement shall be settled through consultations among the Parties, and if the Parties fail to reach an agreement regarding such dispute within 30 days upon its occurrence, such dispute shall be submitted to China International Economic and Trade Arbitration Commission for arbitration in Beijing in accordance with the arbitration rules thereof. The arbitral award shall be final and binding on all the Parties.

10.4 Any rights, powers and remedies granted to any Party by any provision herein shall not preclude any other rights, powers and remedies available to such Party in accordance with laws and other provisions under this Agreement, and a Party's exercise of any of its rights, powers and remedies shall not preclude its exercise of other rights, powers and remedies.

10.5 No failure or delay by a Party in exercising any right, power or remedy under this Agreement or laws ("Party's Rights") shall result in a waiver of such rights; and no single or partial waiver by a Party of the Party's Rights shall preclude such Party from exercising such rights in any other way or exercising the remaining part of the Party's Rights.

10.6 The section headings herein are inserted for convenience of reference only and shall in no event be used in or affect the interpretation of the provisions hereof.

10.7 Each provision contained herein shall be severable and independent of any other provisions hereof, and if at any time any one or more provisions hereof become invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not be affected thereby.

10.8 Any amendment or supplement to this Agreement shall be made in writing and shall take effect only when properly signed by the Parties hereto.

10.9 No shareholder or the Company may assign any of its rights and/or obligations hereunder to any third party without the written consent of the WFOE.

10.10 This Agreement shall be binding on the legal successors of the Parties.

[No text below]

(No text on this page, this being a signature page to the *Voting Rights Proxy Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed at the place and as of the date first above written.

Beijing Liangzizhige Technology Co., Ltd.

Authorized signatory: /s/ Chun Wang /s/ Seal

(No text on this page, this being a signature page to the *Voting Rights Proxy Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed at the place and as of the date first above written.

Shenzhen Erwan Education Technology Co., Ltd.

Authorized signatory: /s/ Li Meng /s/ Seal

(No text on this page, this being a signature page to the *Voting Rights Proxy Agreement*)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed at the place and as of the date first above written.

Feierlai (Beijing) Technology Co., Ltd.

Authorized signatory: /s/ Jinshan Li /s/ Seal

Annex I

Power of Attorney

This Power of Attorney (hereinafter referred to as the "**Power of Attorney**") was signed by Shenzhen Erwan Education Technology Co., Ltd. (unified social credit code: 91440300MA5G5ND978) (hereinafter, the "**Company**") on _____ and issued to [ ] (ID number/ unified social credit code: [ ] (hereinafter, the "**Agent**").

The Company, hereby grants the Agent the full right to, as the Agent of the Company and in the name of the Company, exercise all rights of the Company as the shareholder of Feierlai (Beijing) Technology Co., Ltd. (hereinafter, the "**Feierlai**"), including but not limited to:

(1) Attending shareholders' meetings (including but not limited to extraordinary shareholders' meetings) of Feierlai as the Agent of the Company;

(2) Exercising voting rights on behalf of the Company on all issues (including but not limited to appointment, election and removal of the legal representative, directors, supervisors, employment and dismissal of general manager, deputy general managers, officer in charge of finance and other senior management of the Company) required to be discussed and resolved at shareholders' meetings, and selling, transferring or pledging all or part of the equity held by the Company in Feierlai;

(3) Proposing to convene shareholders' meetings (including but not limited to extraordinary shareholders' meetings) as the Agent of the Company;

(4) As the Agent of the Company, exercising the other shareholder rights under the articles of association of Feierlai (including such other shareholder rights as provided after amendment to such articles of association).

The Company hereby irrevocably acknowledges that unless Beijing Liangzizhige Technology Co., Ltd. (hereinafter, the "**WFOE**") directs the Company to change the Agent, this Power of Attorney shall continue in force from the signing date hereof until the expiration or premature termination of the Voting Rights Proxy Agreement dated May 20, 2021 by and among the WFOE, Feierlai and the Company.

The Company acknowledges and is liable to any legal consequences arising from the Agent's exercise of the aforesaid Entrusted Rights. All acts of the Agent in respect of Feierlai's equity shall be deemed to be acts of the Company, and all documents signed by the Agent shall be deemed to have been signed by the Company, which the Company agrees to recognize. During the term of this Power of Attorney, the Company hereby waives all rights granted to the Agent in respect of its equity in Feierlai, which the Company shall not exercise by itself.

It is hereby authorized.

Shenzhen Erwan Education Technology Co., Ltd.
(signature/seal)

Authorized signatory:_____
Date: _____

Exhibit 21.1

List of Principal Subsidiaries and Affiliated Entities

Subsidiaries	Place of Incorporation
Hundreds of Mountains Limited	BVI
Witty Digital Technology Limited	Hong Kong
Beijing Liangzizhige Technology Co., Ltd.	PRC

Affiliated Entities	Place of Incorporation
Feierlai (Beijing) Technology Co., Ltd.	PRC
Beijing Shijiwanhe Information Consultancy Co., Ltd.	PRC
Beijing Denggaoerge Network Technology Co., Ltd.	PRC

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of QuantaSing Group Limited of our report dated September 29, 2022, except for the effects of updating the convenience translation discussed in Note 2(e) to the consolidated financial statements, as to which the date is December 20, 2022, relating to the financial statements of QuantaSing Group Limited, which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
December 20, 2022

Exhibit 23.4

December 20, 2022

QuantaSing Group Limited
Room 710, 5/F, Building No. 1,
Zone No. 1, Ronghe Road
Chaoyang District, Beijing
People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the references to my name in the Registration Statement on Form F-1 (the "Registration Statement") of QuantaSing Group Limited (the "Company") and any amendments thereto, which indicate that I have accepted the nomination to become a director of the Company. I further agree that immediately upon the United States Securities and Exchange Commission's declaration of effectiveness of the Registration Statement, I will serve as a member of the board of directors of the Company.

Sincerely yours,

/s/ Pei Hua (Helen) Wong
Name: Pei Hua (Helen) Wong

Exhibit 23.5

December 20, 2022

QuantaSing Group Limited
Room 710, 5/F, Building No. 1,
Zone No. 1, Ronghe Road
Chaoyang District, Beijing
People's Republic of China

Ladies and Gentlemen:

Pursuant to Rule 438 under the Securities Act of 1933, as amended, I hereby consent to the references to my name in the Registration Statement on Form F-1 (the "Registration Statement") of QuantaSing Group Limited (the "Company") and any amendments thereto, which indicate that I have accepted the nomination to become a director of the Company. I further agree that immediately upon the United States Securities and Exchange Commission's declaration of effectiveness of the Registration Statement, I will serve as a member of the board of directors of the Company.

Sincerely yours,

/s/ Hongqiang Zhao
Name: Hongqiang Zhao

Exhibit 99.1

QUANTASING GROUP LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS

(Adopted by the Board of Directors of QuantaSing Group Limited (the "Company"), a Cayman Islands company, on December 20, 2022, effective upon the effectiveness of the Company's registration statements on Form F-1 relating to the Company's initial public offering)

INTRODUCTION

Purpose and Applicability

This Code of Business Conduct and Ethics (this "Code") contains general guidelines for conducting the business of the Company, and its subsidiaries and affiliates, consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "SEC") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "employee" and collectively, the "employees" or "Company employees"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer, controller, senior vice presidents, vice presidents and any other persons who perform similar functions for the Company (each, a "principal financial officer," and collectively, the "principal financial officers").

This Code has been adopted by the Board of the Company (the "Board") and shall become effective (the "Effective Time") upon the effectiveness of the Company's registration statement on Form F-1 filed by the Company with the SEC relating to the Company's initial public offering.

Seeking Help and Information

This Code is not intended to be a comprehensive rulebook and cannot address every situation that you may face. The Board has appointed the Company's Chief Financial Officer as the Compliance Officer for the Company (the "Compliance Officer"). If you have any question or feel uncomfortable about a situation or have any doubts about whether it is consistent with the Company's ethical standards, seek help. We encourage you to contact your supervisor for help first. If your supervisor cannot answer your question or if you do not feel comfortable contacting your supervisor, contact the Compliance Officer. You may remain anonymous and will not be required to reveal your identity in your communication to the Company.

Reporting Violations of the Code

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If you know of or suspect a violation of this Code, immediately report the conduct to your supervisor. Your supervisor will contact the Compliance Officer, who will work with you and your supervisor to investigate the matter. If you do not feel comfortable reporting the matter to your supervisor or you do not get a satisfactory response, you may contact the Compliance Officer directly. Employees making a report need not leave their name or other personal information and reasonable efforts will be used to conduct the investigation that follows from the report in a manner that protects the confidentiality and anonymity of the employee submitting the report. All reports of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Your supervisor, the Compliance Officer and the Company will protect your confidentiality to the extent possible, consistent with law and the Company's need to investigate your report.

It is the Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his or her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and many incur damage to its reputation and standing in the community. Your conduct as a representative of the Company, if it does not comply with the law or with this Code, can result in serious consequences for both you and the Company.

Policy Against Retaliation

The Company prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. Any reprisal or retaliation against an employee because the employee, in good faith, sought help or filed a report will be subject to disciplinary action, including potential termination of employment.

Waivers of the Code

Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by our Board of Directors or the appropriate committee of our Board of Directors and will be disclosed to the public as required by law or the rules of the NASDAQ Stock Market LLC.

CONFLICTS OF INTEREST

Identifying Potential Conflicts of Interest

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company as a whole. You should avoid any private interest that influences your ability to act in the interests of the Company or that makes it difficult to perform your work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- Outside Employment. No employee should be employed by, serve as a director of, or provide any services not in his or her capacity as a Company employee to a company that is a material customer, supplier or competitor of the Company.
- Improper Personal Benefits. No employee should obtain any material (as to him or her) personal benefits or favors because of his or her position with the Company. Please see “Gifts and Entertainment” below for additional guidelines in this area.
- Financial Interests. No employee should have a financial interest (ownership, investment or otherwise) in any company that is a customer, supplier or competitor of the Company.
- Loans or Other Financial Transactions. No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with banks, brokerage firms or other financial institutions.
- Service on Boards and Committees. No employee should serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests reasonably would be expected to conflict with those of the Company.
- Actions of Family Members. The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee’s objectivity in making decisions on behalf of the Company. For purposes of this Code, “family members” include your spouse or life-partner, brothers, sisters and parents, in-laws and children whether such relationships are by blood or adoption.

Disclosure of Conflicts of Interest

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If you suspect that you have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, you must report it to your supervisor or the Compliance Officer. Your supervisor and the Compliance Officer will work with you to determine whether you have a conflict of interest and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in “Waivers of the Code” above.

CORPORATE OPPORTUNITIES

As an employee of the Company, you have an obligation to advance the Company’s interests when the opportunity to do so arises. If you discover or are presented with a business opportunity through the use of corporate property, information or because of your position with the Company, you should first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information or his or her position with the Company for personal gain or should compete with the Company.

You should disclose to your supervisor the terms and conditions of each business opportunity covered by this Code that you wish to pursue. Your supervisor will contact the Compliance Officer and the appropriate management personnel to determine whether the Company wishes to pursue the business opportunity. If the Company waives its right to pursue the business opportunity, you may pursue the business opportunity on the same terms and conditions as originally proposed and consistent with the other ethical guidelines set forth in this Code.

CONFIDENTIALITY

Confidential Information and Company Property

Employees have access to a variety of confidential information while employed at the Company. Confidential information includes all non-public information that might be of use to competitors, or, if disclosed, harmful to the Company or its customers. Every employee has a duty to respect and safeguard the confidentiality of the Company's information and the information of our suppliers and customers, except when disclosure is authorized or legally mandated. In addition, you must refrain from using any confidential information from any previous employment if, in doing so, you could reasonably be expected to breach your duty of confidentiality to your former employers. An employee's obligation to protect confidential information continues after he or she leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company or its customers and could result in legal liability to you and the Company.

Employees also have a duty to protect the Company's intellectual property and other business assets. The intellectual property, business systems and the security of the Company property are critical to the Company.

Any questions or concerns regarding whether disclosure of Company information is legally mandated should be promptly referred to the Compliance Officer.

Safeguarding Confidential Information and Company Property

Care must be taken to safeguard and protect confidential information and Company property. Accordingly, the following measures should be adhered to:

- The Company's employees should conduct their business and social activities so as not to risk inadvertent disclosure of confidential information. For example, when not in use, confidential information should be secretly stored. Also, review of confidential documents or discussion of confidential subjects in public places (e.g., airplanes, trains, taxis, buses, etc.) should be conducted so as to prevent overhearing or other access by unauthorized persons.
- Within the Company's offices, confidential matters should not be discussed within hearing range of visitors or others not working on such matters.
- Confidential matters should not be discussed with other employees not working on such matters or with friends or relatives including those living in the same household as a Company employee.
- The Company's employees are only to access, use and disclose confidential information that is necessary for them to have in the course of performing their duties. They are not to disclose confidential information to other employees or contractors at the Company unless it is necessary for those employees or contractors to have such confidential information in the course of their duties.

- The Company's files, personal computers, networks, software, internet access, internet browser programs, emails, voice mails and other business equipment (e.g. desks and cabinets) and resources are provided for business use and they are the exclusive property of the Company. Misuse of such Company property is not tolerated.

COMPETITION AND FAIR DEALING

All employees are obligated to deal fairly with fellow employees and with the Company's customers, suppliers and competitors. Employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

Relationships with Customers

Our business success depends upon our ability to foster lasting customer relationships. The Company is committed to dealing with customers fairly, honestly and with integrity. Specifically, you should keep the following guidelines in mind when dealing with customers:

- Information we supply to customers should be accurate and complete to the best of our knowledge. Employees should not deliberately misrepresent information to customers.
- Employees should not refuse to sell, service, or maintain products or services the Company has produced or provided simply because a customer is buying products or services from another supplier.
- Customer entertainment should not exceed reasonable and customary business practice. Employees should not provide entertainment or other benefits that could be viewed as an inducement to or a reward for customer purchase decisions. Please see "Gifts and Entertainment" below for additional guidelines in this area.

Relationships with Financial Institutions

The Company is committed to dealing with financial institutions fairly, honestly and with integrity. Employees should not deliberately misrepresent information to financial institutions.

Relationships with Service Providers and Suppliers

The Company deals fairly and honestly with its service providers and suppliers. This means that our relationships with service providers and suppliers are based on price, quality, service and reputation, among other factors. Employees dealing with service providers and suppliers should carefully guard their objectivity. Specifically, no employee should accept or solicit any personal benefit from a service provider or supplier or potential supplier that might compromise, or appear to compromise, their objective assessment of the service provider's services and prices or supplier's products and prices. Employees can give or accept promotional items of nominal value or moderately scaled entertainment within the limits of responsible and customary business practice. Please see "Gifts and Entertainment" below for additional guidelines in this area.

Relationships with Competitors

The Company is committed to free and open competition in the marketplace. Employees should avoid actions that would be contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of Company funds or assets, whether or not for personal gain, for any unlawful or improper purpose is prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property.
- Report the actual or suspected theft, damage or misuse of Company property to a supervisor.
- Use the Company's telephone system, other electronic communication services, written materials and other property primarily for business-related purposes.
- Safeguard all electronic programs, data, communications and written materials from inadvertent access by others.
- Use Company property only for legitimate business purposes, as authorized in connection with your job responsibilities.

Employees should be aware that Company property includes all data and communications transmitted or received to or by, or contained in, the Company's electronic or telephonic systems. Company property also includes all written communications. Employees and other users of Company property should have no expectation of privacy with respect to these communications and data. To the extent permitted by law, the Company has the ability, and reserves the right, to monitor all electronic and telephonic communication. These communications may also be subject to disclosure to law enforcement or government officials.

GIFTS AND ENTERTAINMENT

The giving and receiving of gifts is a common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should not compromise, or appear to compromise, your ability to make objective and fair business decisions.

It is your responsibility to use good judgment in this area. As a general rule, you may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment would not be viewed as an inducement to or reward for any particular business decision. All gifts and entertainment received which is of a value of more than US$100 should be promptly reported and handed in to your supervisor. All gifts and entertainment expenses should be properly accounted for on expense reports. The following specific examples may be helpful:

- Meals and Entertainment. You may occasionally accept or give meals, refreshments or other entertainment if:
    - The items are of reasonable value;

- The purpose of the meeting or attendance at the event is business related; and
- The expenses would be paid by the Company as a reasonable business expense if not paid for by another party.

Entertainment of reasonable value may include food and tickets for sporting and cultural events if they are generally offered to other customers, suppliers or vendors.

- Advertising and Promotional Materials. You may occasionally accept or give advertising or promotional materials of nominal value.
- Personal Gifts. You may accept or give personal gifts of reasonable value that are related to recognized special occasions such as a graduation, promotion, new job, wedding, retirement or a holiday. A gift is also acceptable if it is based on a family or personal relationship and unrelated to the business involved between the individuals.
- Gifts Rewarding Service or Accomplishment. You may accept a gift from a civic, charitable or religious organization specifically related to your service or accomplishment.

You must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. See "The Foreign Corrupt Practices Act" below for a more detailed discussion of our policies regarding giving or receiving gifts related to business transactions.

You should make every effort to refuse or return a gift that is beyond these permissible guidelines. If it would be inappropriate to refuse a gift or you are unable to return a gift, you should promptly report the gift to your supervisor. Your supervisor will bring the gift to the attention of the Compliance Officer, who may require you to donate the gift to an appropriate community organization. If you have any questions about whether it is permissible to accept a gift or something else of value, contact your supervisor or the Compliance Officer for additional guidance.

COMPANY RECORDS

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. You are responsible for understanding and complying with our record keeping policy. Ask your supervisor if you have any questions.

ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

As a public company, we are subject to various securities laws, regulations and reporting obligations. These laws, regulations and obligations and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

It is essential that the Company's financial records, including all filings with the Securities and Exchange Commission (the "**SEC**") be accurate and timely. Accordingly, in addition to adhering to the conflict of interest policy and other policies and guidelines in this Code, the principal financial officers and other senior financial officers must take special care to exhibit integrity at all times and to instill this value within their organizations. In particular, these senior officers must ensure their conduct is honest and ethical that they abide by all public disclosure requirements by providing full, fair, accurate, timely and understandable disclosures, and that they comply with all other applicable laws and regulations. These financial officers must also understand and strictly comply with generally accepted accounting principles in the U.S. and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

In addition, U.S. federal securities law requires the Company to maintain proper internal books and records and to devise and maintain an adequate system of internal accounting controls. The SEC has supplemented the statutory requirements by adopting rules that prohibit (1) any person from falsifying records or accounts subject to the above requirements and (2) officers or directors from making any materially false, misleading, or incomplete statement to an accountant in connection with an audit or any filing with the SEC. These provisions reflect the SEC's intent to discourage officers, directors, and other persons with access to the Company's books and records from taking action that might result in the communication of materially misleading financial information to the investing public.

COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. You are expected to understand and comply with all laws, rules and regulations that apply to your job position. If any doubt exists about whether a course of action is lawful, you should seek advice from your supervisor or the Compliance Officer.

COMPLIANCE WITH INSIDER TRADING LAWS

The Company has an insider trading policy, which may be obtained from the Compliance Officer. The following is a summary of some of the general principles relevant to insider trading, and should be read in conjunction with the aforementioned specific policy.

Company employees are prohibited from trading in shares or other securities of the Company while in possession of material, nonpublic information about the Company. In addition, Company employees are prohibited from recommending, "tipping" or suggesting that anyone else buy or sell shares or other securities of the Company on the basis of material, nonpublic information. Company employees who obtain material nonpublic information about another company in the course of their employment are prohibited from trading in shares or securities of the other company while in possession of such information or "tipping" others to trade on the basis of such information. Violation of insider trading laws can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Information is "non-public" if it has not been made generally available to the public by means of a press release or other means of widespread distribution. Information is "material" if a reasonable investor would consider it important in a decision to buy, hold or sell stock or other securities. As a rule of thumb, any information that would affect the value of stock or other securities should be considered material. Examples of information that is generally considered "material" include:

- financial results or forecasts, or any information that indicates the Company's financial results may exceed or fall short of forecasts or expectations;
- important new products or services;
- pending or contemplated acquisitions or dispositions, including mergers, tender offers or joint venture proposals;
- possible management changes or changes of control;
- pending or contemplated public or private sales of debt or equity securities;
- acquisition or loss of a significant customer or contract;
- significant write-offs;
- initiation or settlement of significant litigation; and
- changes in the Company's auditors or a notification from its auditors that the Company may no longer rely on the auditor's report.

The laws against insider trading are specific and complex. Any questions about information you may possess or about any dealings you have had in the Company's securities should be promptly brought to the attention of the Compliance Officer.

PUBLIC COMMUNICATIONS AND PREVENTION OF SELECTIVE DISCLOSURE

Public Communications Generally

The Company places a high value on its credibility and reputation in the community. What is written or said about the Company in the news media and investment community directly impacts our reputation, positively or negatively. Our policy is to provide timely, accurate and complete information in response to public requests (media, analysts, etc.), consistent with our obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. To ensure compliance with this policy, all news media or other public requests for information regarding the Company should be directed to the Company's Investor Relations Department. The Investor Relations Department will work with you and the appropriate personnel to evaluate and coordinate a response to the request.

Prevention of Selective Disclosure

Preventing selective disclosure is necessary to comply with United States securities laws and to preserve the reputation and integrity of the Company as well as that of all persons affiliated with it. "Selective disclosure" occurs when any person provides potentially market-moving information to selected persons before the news is available to the investing public generally. Selective disclosure is a crime under United States law and the penalties for violating the law are severe.

The following guidelines have been established to avoid improper selective disclosure. Every employee is required to follow these procedures:

- All contact by the Company with investment analysts, the press and/or members of the media shall be made through the chief executive officer, chief financial officer or persons designated by them (collectively, the "**Media Contacts**").
- Other than the Media Contacts, no officer, director or employee shall provide any information regarding the Company or its business to any investment analyst or member of the press or media.
- All inquiries from third parties, such as industry analysts or members of the media, about the Company or its business should be directed to a Media Contact. All presentations to the investment community regarding the Company will be made by us under the direction of a Media Contact.
- Other than the Media Contacts, any employee who is asked a question regarding the Company or its business by a member of the press or media shall respond with "No comment" and forward the inquiry to a Media Contact.

These procedures do not apply to the routine process of making previously released information regarding the Company available upon inquiries made by investors, investment analysts and members of the media.

Please contact the Compliance Officer if you have any questions about the scope or application of the Company's policies regarding selective disclosure.

THE FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act (the "**FCPA**") prohibits the Company and its employees and agents from offering or giving money or any other item of value to win or retain business or to influence any act or decision of any governmental official, political party, candidate for political office or official of a public international organization. Stated more concisely, the FCPA prohibits the payment of bribes, kickbacks or other inducements to foreign officials. This prohibition also extends to payments to a sales representative or agent if there is reason to believe that the payment will be used indirectly for a prohibited payment to foreign officials. Violation of the FCPA is a crime that can result in severe fines and criminal penalties, as well as disciplinary action by the Company, up to and including termination of employment.

Certain small facilitation payments to foreign officials may be permissible under the FCPA if customary in the country or locality and intended to secure routine governmental action. Governmental action is "routine" if it is ordinarily and commonly performed by a foreign official and does not involve the exercise of discretion. For instance, "routine" functions would include setting up a telephone line or expediting a shipment through customs. To ensure legal compliance, all facilitation payments must receive prior written approval from the Compliance Officer and must be clearly and accurately reported as a business expense.

ENVIRONMENT, HEALTH AND SAFETY

The Company is committed to providing a safe and healthy working environment for its employees and to avoiding adverse impact and injury to the environment and the communities in which we do business. Company employees must comply with all applicable environmental, health and safety laws, regulations and Company standards. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with environmental, health and safety laws and regulations can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer if you have any questions about the laws, regulations and policies that apply to you.

Environment

All Company employees should strive to conserve resources and reduce waste and emissions through recycling and other energy conservation measures. You have a responsibility to promptly report any known or suspected violations of environmental laws or any events that may result in a discharge or emission of hazardous materials.

Health and Safety

The Company is committed not only to complying with all relevant health and safety laws, but also to conducting business in a manner that protects the safety of its employees. All employees are required to comply with all applicable health and safety laws, regulations and policies relevant to their jobs. If you have a concern about unsafe conditions or tasks that present a risk of injury to you, please report these concerns immediately to your supervisor or the human resources department.

EMPLOYMENT PRACTICES

The Company pursues fair employment practices in every aspect of its business. The following is intended to be a summary of our employment policies and procedures. Copies of our detailed policies are available from the human resources department. Company employees must comply with all applicable labor and employment laws, including anti-discrimination laws and laws related to freedom of association, privacy and collective bargaining. It is your responsibility to understand and comply with the laws, regulations and policies that are relevant to your job. Failure to comply with labor and employment laws can result in civil and criminal liability against you and the Company, as well as disciplinary action by the Company, up to and including termination of employment. You should contact the Compliance Officer or the human resources department if you have any questions about the laws, regulations and policies that apply to you.

Harassment and Discrimination

The Company is committed to providing equal opportunity and fair treatment to all individuals on the basis of merit, without discrimination because of race, color, religion, national origin, gender (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law. The Company prohibits harassment in any form, whether physical or verbal and whether committed by supervisors, non-supervisory personnel or non-employees. Harassment may include, but is not limited to, offensive sexual flirtations, unwanted sexual advances or propositions, verbal abuse, sexually or racially degrading words, or the display in the workplace of sexually suggestive objects or pictures.

If you have any complaints about discrimination or harassment, report such conduct to your supervisor or the human resources department. All complaints will be treated with sensitivity and discretion. Your supervisor, the human resources department and the Company will protect your confidentiality to the extent possible, consistent with law and the Company’s need to investigate your concern. Where our investigation uncovers harassment or discrimination, we will take prompt corrective action, which may include disciplinary action by the Company, up to and including, termination of employment. The Company strictly prohibits retaliation against an employee who, in good faith, files a compliant.

Any member of management who has reason to believe that an employee has been the victim of harassment or discrimination or who receives a report of alleged harassment or discrimination is required to report it to the human resources department immediately.

CONCLUSION

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If you have any questions about these guidelines, please contact your supervisor or the Compliance Officer. We expect all Company employees to adhere to these standards.

This Code of Business Conduct and Ethics, as applied to the Company's principal financial officers, shall be the Company's "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder.

This Code and the matters contained herein are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed herein, without prior notice, at any time.

CM LAW 澄明律师 CM Law Firm 021-52526819 www.cm-law.com.cn 2805, Phase II, Plaza 66, 1366 West Nanjing Road, Shanghai

December 20, 2022

To: **QuantaSing Group Limited**
Suite # 5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

Dear Sirs or Madams,

This opinion on the laws of the People's Republic of China ("**PRC**" which, for the purposes of this opinion only, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan) is presented by CM Law Firm ("**us**" or "**we**").

We are qualified lawyers of the PRC and as such are qualified to issue this opinion on the laws and regulations of the PRC. We have acted as the PRC counsel to QuantaSing Group Limited, a corporation organized under the laws of the Cayman Islands (the "**Company**") in connection with (i) the proposed initial public offering (the "**Offering**") of a certain number of American depositary shares (the "**ADSs**"), each ADS representing a certain number of ordinary shares of the Company, par value US$0.0001 per share (the "**Ordinary Shares**"), as set forth in the Company's registration statement on Form F-1, including all amendments or supplements thereto (the "**Registration Statement**"), filed by the Company with the Securities and Exchange Commission under the U.S. Securities Act of 1933 (as amended) in relation to the Offering, and (ii) the Company's proposed listing of the ADSs on the Nasdaq Stock Market.

In rendering this opinion, we have reviewed or examined copies of the Registration Statement and other documents as we have considered necessary or advisable for the purpose of rendering this opinion, including but not limited to originals or copies of the due diligence documents provided to us by the Company and the PRC Companies (as defined below) and such other documents, corporate records and certificates issued by the Governmental Agencies (as defined below) (collectively the "**Documents**"). Where certain facts were not independently established and verified by us, we have relied upon certificates or statements issued or made by competent Governmental Agencies or appropriate representatives of the Company or the PRC Companies.

In rendering this opinion, we have assumed without independent investigation that (the "**Assumptions**"):

(i) that each of the Documents is legal, valid, binding and enforceable in accordance with their respective governing laws (other than PRC Laws) in any and all respects;

(ii) that the Documents that were presented to us up to the date of this legal opinion remain in full force and effect on the date of this opinion and have not been revoked, amended or supplemented, and no amendments, revisions, supplements, modifications or other changes have been made, and no revocation or termination has occurred, with respect to any of the Documents after they were submitted to us for the purposes of this legal opinion;

(iii) that all Documents submitted to us as originals are authentic and that all Documents submitted to us as copies conform to their authentic originals;

(iv) that all Documents have been validly authorized, executed and delivered by all of the parties thereto (other than the PRC Companies) and such parties to the Documents have full power and authority to enter into, and have duly executed and delivered such Documents to which it is a party in accordance with the laws of its jurisdiction of organization or incorporation or the laws to which it/she/he is subject;

(v) that the signatures, seals and chops on the Documents submitted to us are genuine, and each signature on behalf of a party thereto is that of a person duly authorized by such party to execute the same;

(vi) that each of the parties (other than the PRC Companies) to the Documents is duly organized and validly existing under the laws of its jurisdiction of organization and/or incorporation, and has been duly approved and authorized where applicable by the competent Governmental Agencies of the relevant jurisdiction to carry on its business and to perform its obligations under the Documents to which it is a party;

(vii) that all factual information provided to us is correct, complete and accurate and that all factual matters in each of the covenants, representations and warranties in the representation letter or other similar documents are and remain accurate and true in all respects;

(viii) that the laws of jurisdictions other than the PRC which may be applicable to the execution, delivery, performance or enforcement of the Documents are complied with;

Our opinion is limited to the PRC Laws of general application on the date hereof. We do not purport to be experts on and do not purport to be generally familiar with or qualified to express legal opinions on any laws other than the laws of the PRC and accordingly express no legal opinion herein on any laws of any jurisdiction other than the PRC.

If any evidence comes to light that would indicate any of the Documents or materials referred to is incomplete, inaccurate or defective or if any of the assumptions upon which this opinion are based prove to be incorrect, we reserve the right to revise any relevant expression or conclusion contained in this opinion and/or issue a supplementary legal opinion, interpretation or revision to this opinion according to further certified facts as of that date.

A. Definitions

In addition to the terms defined in the context of this opinion, the following capitalized terms used in this opinion shall have the meanings ascribed to them as follows.

"CSRC"	means the China Securities Regulatory Commission.
"Governmental Agency"	means any national, provincial or local governmental, regulatory or administrative authority, agency or commission in the PRC, or any court or arbitral body in the PRC.
"M&A Rules"	means the Provisions on Merging and Acquiring Domestic Enterprises by Foreign Investors, which was promulgated by six Governmental Agencies, namely, the Ministry of Commerce, the State-owned Assets Supervision and Administration Commission, the State Administration for Taxation, the State Administration for Industry and Commerce (predecessor of the State Administration for Market Regulation), the CSRC, and the State Administration of Foreign Exchange, on August 8, 2006 and became effective on September 8, 2006, as amended by the Ministry of Commerce on June 22, 2009.
"PRC Companies"	means, collectively, all entities listed in Appendix A hereof, and each, a "**PRC Company**".
"PRC Laws"	means all applicable national, provincial and local laws, regulations, rules, notices, orders, decrees and judicial interpretations of the PRC currently in effect and publicly available on the date of this opinion.
"WFOE"	means, Beijing Liangzizhige Technology Co., Ltd. (北京量子之歌科技有限公司).
"VIE Agreements"	means the documents as set forth in Appendix B hereto.

B. Opinions

Based on our review of the Documents and subject to the Assumptions and the Qualifications (as defined below), we are of the opinion that:

(1) *Corporate Structure.* Based on our understanding of the current PRC Laws, (a) the ownership structures of the PRC Companies are not in any violation of the applicable PRC Laws; and (b) each of the VIE Agreements is valid and binding, and enforceable in accordance with its terms and applicable PRC Laws. However, there are substantial uncertainties regarding the interpretation and application of current PRC Laws, and there can be no assurance that the PRC government will ultimately take a view that is consistent with our opinion stated above.

(2) *License.* Except as disclosed in the Registration Statement and to the best of our knowledge after due inquiry, each of the PRC Companies has obtained the licenses, permits and registrations from the relevant Government Agencies necessary for its business operations in the PRC as described in the Registration Statement.

(3) *M&A Rules.* Based on our understanding of the explicit provisions of the PRC Laws as of the date hereof, we are of the opinion that M&A Rules and related regulations do not require that the Company obtain prior CSRC approval for the listing and trading of the ADSs on the Nasdaq Stock Market, because (a) the WFOE was established by means of direct investment rather than by merger with or acquisition of any PRC domestic companies as defined under the M&A Rules; (b) no explicit provision in the M&A Rules clearly classifies the respective contractual arrangements under the VIE Agreements as a type of acquisition transaction falling under the M&A Rules; and (c) the CSRC currently has not issued any definitive rule or interpretation concerning whether the Offerings are subject to the M&A Rules. However, there are substantial uncertainties as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering, and our opinions stated above are subject to any new PRC Laws or detailed implementations and interpretations in any form relating to the M&A Rules, and there can be no assurance that the PRC government will ultimately take a view that is consistent with our opinion stated above.

(4) *Enforceability of Civil Procedures.* The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against a company or its directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands.

(5) *Taxation.* The statements set forth in the Registration Statement under the caption “Taxation—People’s Republic of China Taxation” with respect to the PRC tax laws and regulations, constitute true and accurate descriptions of the matters described therein in all material aspects, and, subject to the respective qualifications therein, constitute our opinion on such matters.

(6) *PRC Laws.* The statements in the Registration Statement, under the sections entitled "Prospectus Summary", "Risk Factors", "Use of Proceeds", "Enforceability of Civil Liabilities", "Corporate History and Structure", "Management's Discussion and Analysis of Financial Condition and Results of Operations—Taxation—China", "Business", "Regulation" and "Taxation—People's Republic of China Taxation", to the extent that they describe or summarize matters of PRC Laws, are true and accurate in all material respects, and fairly present or fairly summarize in all material respects the PRC legal and regulatory matters or proceedings referred to therein.

Our opinion expressed above is subject to the following qualifications (the "**Qualifications**"):

(a) Our opinion is limited to the PRC laws of general application on the date hereof. For the purpose of this opinion only, the PRC or China shall not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region or Taiwan. We have made no investigation of, and do not express or imply any views on, the laws of any jurisdiction other than the PRC.

(b) The PRC Laws referred to herein are laws and regulations publicly available and currently in force on the date hereof and there is no guarantee that any of such laws and regulations, or the interpretation or enforcement thereof, will not be changed, amended or revoked in the future with or without retrospective effect.

(c) Our opinion is subject to the effects of (i) certain legal or statutory principles affecting the enforceability of contractual rights generally under the concepts of public interest, social ethics, national security, good faith, fair dealing, and applicable statutes of limitation, (ii) any circumstance in connection with formulation, execution or performance of any legal documents that would be deemed materially mistaken, clearly unconscionable, fraudulent, coercionary or concealing illegal intentions with a lawful form, (iii) judicial discretion with respect to the availability of specific performance, injunctive relief, remedies or defenses, or calculation of damages, and (iv) the discretion of any competent PRC legislative, administrative or judicial bodies in exercising their authority in the PRC.

(d) This opinion is issued based on our understanding of the current PRC Laws. For matters not explicitly provided under the current PRC Laws, the interpretation, implementation and application of the specific requirements under PRC Laws are subject to the final discretion of competent PRC legislative, administrative and judicial authorities, and there can be no assurance that the Government Agencies will ultimately take a view that is not contrary to our opinion stated above.

(e) We may rely, as to matters of fact (but not as to legal conclusions), to the extent we deem proper, on certificates and confirmations of responsible officers of the PRC Companies and PRC government officials.

(f) As used in this opinion, the expression "to the best of our knowledge after due inquiry" or similar language with reference to matters of fact refers to the current actual knowledge of the attorneys of this firm who have worked on matters for the Company in connection with the Offering and the transactions contemplated thereby after reasonable investigation and inquiry. We may rely, as to matters of fact (but not as to legal conclusions), to the extent we deem proper, on certificates and confirmations of responsible officers of the PRC Companies and Governmental Agencies.

This opinion is intended to be used in the context which is specifically referred to herein and each paragraph should be looked at as a whole and no part should be extracted and referred to independently.

We hereby consent to the use of this opinion in, and the filing hereof as an exhibit to, the Registration Statement, and to the reference to our name in such Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the regulations promulgated thereunder.

Yours faithfully,
/s/ CM Law Firm
CM Law Firm

Appendix A

List of PRC Companies

No.	Name
1.	北京量子之歌科技有限公司 Beiijng Liangzizhige Technology Co., Ltd.
2.	菲尔莱（北京）科技有限公司 Feierlai (Beijing) Technology Co., Ltd.
3.	北京世纪万合信息咨询有限公司 Beijing Shijiwanhe Information Consultancy Co., Ltd.
4.	北京登高而歌网络科技有限公司 Beijing Denggaoerge Network Technology Co., Ltd

Appendix B

List of VIE Agreements

1. *Exclusive Option Agreement* entered into by and among Beijing Liangzizhige Technology Co., Ltd., Shenzhen Erwan Education Technology Co., Ltd. (深圳尔湾教育科技有限公司) and Beijing Feierlai Technology Co., Ltd. on May 20, 2021.

2. *Exclusive Consultancy and Service Agreement* entered into by and between Beijing Liangzizhige Technology Co., Ltd. and Beijing Feierlai Technology Co., Ltd. on May 20, 2021.

3. *Voting Rights Proxy Aggrement* entered into by and among Beijing Liangzizhige Technology Co., Ltd., Shenzhen Erwan Education Technology Co., Ltd. (深圳尔湾教育科技有限公司) and Beijing Feierlai Technology Co., Ltd.on May 20, 2021.

4. *Equity Pledge Agreement* entered into by and among Beijing Liangzizhige Technology Co., Ltd., Shenzhen Erwan Education Technology Co., Ltd. (深圳尔湾教育科技有限公司) and Beijing Feierlai Technology Co., Ltd. on May 20, 2021.

Exhibit 99.3

December 20, 2022

QuantaSing Group Limited
Room 710, 5/F, Building No. 1,
Zone No. 1, Ronghe Road
Chaoyang District, Beijing,
the People's Republic of China

Re: QuantaSing Group Limited

Ladies and Gentlemen,

We understand that QuantaSing Group Limited (the "Company") plans to file a registration statement on Form F-1 (as may be amended from time to time, the "Registration Statement") with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, in connection with its proposed initial public offering (the "Proposed IPO").

We hereby consent to the references to our name and the inclusion of information, data and statements from our research reports and amendments thereto (collectively, the "Reports"), and any subsequent amendments to the Reports, as well as the citation of the Reports, (i) in the Registration Statement, (ii) in any written correspondence with the SEC, (iii) in any other future filings with the SEC by the Company, including, without limitation, filings on Form 20-F, Form 6-K or other SEC filings (collectively, the "SEC Filings"), (iv) on the websites of the Company and its subsidiaries and affiliates, (v) in institutional and retail road shows and other activities in connection with the Proposed IPO, and (vi) in other publicity materials in connection with the Proposed IPO.

We further hereby consent to the filing of this letter as an exhibit to the Registration Statement and as an exhibit to any other SEC Filings.

Yours faithfully,

For and on behalf of
Frost & Sullivan (Beijing) Inc.,

/s/ Charles Lau
Name: Charles Lau
Title: Consulting Director

Exhibit 107

Calculation of Filing Fee Tables

F-1
(Form Type)

QuantaSing Group Limited
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	Carry Forward Form Type	Carry Forward File Number	Carry Forward Initial effective date	Filing Fee Previously Paid In Connection with Unsold Securities to be Carried Forward
Newly Registered Securities												
Fees to Be Paid	Equity	Class A ordinary shares, par value $0.0001 per share[1][2]	457(o)	—	—	$60,000,000[3]	$0.0001102	$6,612				
Fees Previously Paid	N/A											
Carry Forward Securities												
Carry Forward Securities	N/A											
	Total Offering Amounts					$60,000,000		$6,612				
	Total Fees Previously Paid							0				
	Total Fee Offsets							0				
	Net Fee Due							$6,612				

(1) American depositary shares issuable upon deposit of ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No.). Each American depositary share represents ordinary shares.

(2) Includes (a) Class A ordinary shares represented by ADSs that may be purchased by the underwriters pursuant to their over-allotment option and (b) all Class A ordinary shares represented by ADSs initially offered and sold outside the United States that may be resold from time to time in the United States either as part of the distribution or within 40 days after the later of the effective date of this registration statement and the date the securities are first bona fide offered to the public.

(3) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933.