



2021 ANNUAL REPORT

 iFLYTEK CO., LTD.



CREATE A BETTER WORLD
WITH ARTIFICIAL INTELLIGENCE

Section I Important Notice, Contents and Definitions

The Board of Directors, the Board of Supervisors, directors, supervisors and senior management members of iFLYTEK Co., Ltd. (the "Company") warrant, under joint and several liability, that the information in this Annual Report is authentic, accurate and complete, and contains no false records, misleading statements or material omissions.

Liu Qingfeng, Chairman of the Company; Wang Ming, head of accounting affairs; and Cai Shang, head of the accounting department (accounting supervisor) hereby declare that the financial statements in this Annual Report are authentic, accurate and complete.

All the directors attended the meeting of the Board of Directors which reviewed this report.

For the purpose of the report, the statements on future development plans and business objectives are what is planned by the Company. They do not constitute substantive commitments by the Company to its investors. Hence, investors and interested parties should be fully aware of the risks and understand the difference between plans, forecasts and commitments.

The Company analyzes its possible risk exposures and responses in "XI.iii. Risk Exposures of the Company and Responses" in "Section III Management Discussion and Analysis" of the report. Investors are advised to read this part.

Profit distribution plan of the Company approved at the meeting of the Board of

Directors: Based on 2,324,325,245 shares of the Company on 31 March 2022, distribute a cash dividend of RMB1.00 (before tax) per ten shares and zero bonus share (before tax), with no capital reserve converted into share capital.

CONTENTS

Section I Important Notice, Contents and Definitions	2
Section II Corporate Information and Main Financial Indicators	8
Section III Management Discussions and Analysis	13
Section IV Corporate Governance	64
Section V Environmental and Social Responsibility.....	111
Section VI Significant Events	117
Section VII Changes in Shares and Particulars of Shareholders	132

List of Documents for Inspection

- I. The financial statements signed and sealed by the legal representative, head of accounting affairs, and head of the accounting department;
- II. The original of the Auditor's Report stamped with the corporate seal of the accounting firm, and signed and sealed by the CPAs;
- III. Originals of all the documents and announcements published by the Company on the newspapers designated by the China Securities Regulatory Commission (“CSRC”) during the reporting period; and
- IV. The original of the 2021 Annual Report signed by the Chairman.

Definitions

Term	refers to	Definition
Artificial intelligence	refers to	Artificial intelligence (AI), is an emerging technical science that studies and develops theories, methods, technologies, and application systems for simulating, extending, and expanding human intelligence. Artificial intelligence generates manual programs or systems that perceive, think, and make decisions like humans and imitate their actions. Perceptual intelligence, or the ability of machines to "listen and speak, see and recognize", mainly involves speech synthesis, speech recognition, image recognition, and multilingual speech processing technologies; cognitive intelligence, or the ability of machines to "understand and think", involves education evaluation, machine-assisted clinical decision support, machine-assisted court trial, intelligent customer service, machine translation and other knowledge services.
Intelligent speech	refers to	The technology that enables machines to "listen and speak" like humans. It mainly includes speech recognition (automatically converting speech into text), speech synthesis (automatically converting text into speech), voiceprint recognition (separating speakers), language recognition (recognizing different languages and dialects) and other sub-technologies. It belongs to the perceptual intelligence in artificial intelligence and acts as the core supporting technology for the revolution of human-machine speech interaction.
Speech synthesis	refers to	The technology that automatically converts text into speech by machine.
Speech recognition	refers to	The technology that automatically converts speech signals into text and other relevant information by machine.
Speech evaluation (spoken language evaluation)	refers to	The technology that enables machines to automatically evaluate pronunciation, detect errors, and give correction instructions for speaking.
Image recognition	refers to	The technology that uses computers to process, analyze and understand images in order to recognize goals and targets under different models.
Machine translation	refers to	The process of using a computer to convert one natural language (source language) into another (target language). It is also known as automatic translation.
Natural Language Understanding	refers to	An important branch of research in computer science and artificial intelligence. It works on the theories and practices that enable effective communication between humans and computers using natural languages. The ultimate goal of this technology is to enable computers to understand and use natural languages of human society such as Chinese and English, and realize natural language communication between humans and computers in order to replace part of humans' mental work, including searching information, answering questions, collecting excerpts, compiling documents and all other natural languages processing activities.
New Infrastructure	refers to	New types of infrastructure construction ("New Infrastructure Construction" for

		short), that represented by 5G, artificial intelligence, industrial Internet, and Internet of Things (IoT), which is essentially the infrastructure for informationization and digitalization.
iFLYTEK Super Brain 2030 Program	refers to	A roadmap launched in 2022 to plan and guide the technological and product development of iFLYTEK in the medium- and long-term. It aims to develop a complex intelligent system of human-machine collaboration and self-evolution based on cognitive intelligence, so that machines can surpass humans in perception, have a deep understanding of industry-specific knowledge, and be able to continuously evolve on an independent basis. In other words, under the program, machines will be able to perceive people and the environment comprehensively, understand the knowledge of various industries, acquire general knowledge and emotion, and be able to move flexibly and express themselves in multiple dimensions. The program will develop complex intelligent systems that can continuously evolve independently and introduce robots into families. The core purpose of the program is to use artificial intelligence to address major social issues that may arise in the future and meet rigid demands.

Section II Corporate Information and Main Financial Indicators

I. Corporate Information

Stock Name	iFLYTEK	Stock Code	002230
Stock Exchange	Shenzhen Stock Exchange		
Company Name in Chinese	科大讯飞股份有限公司		
Name Abbreviation in Chinese	科大讯飞		
Company Name in English (if any)	iFLYTEK CO., LTD		
Name Abbreviation in English (if any)	iFLYTEK		
Legal Representative of the Company	Liu Qingfeng		
Registered Address	No. 666 West Wangjiang Road, High-tech Development Zone, Hefei		
Postal Code of the Registered Address	230088		
Changes in the Registered Address	Changed to No. 666 West Wangjiang Road, High-tech Development Zone, Hefei from No. 616 Huangshan Road, High-tech Development Zone, Hefei in April 2013		
Office Address	No. 666 West Wangjiang Road, High-tech Development Zone, Hefei		
Postal Code of the Office Address	230088		
Company Website	http://www.iflytek.com		
Email	xunfei@iflytek.com		

II. Contact Information

	Secretary of the Board of Directors	Representative
Name	Jiang Tao	Chang Xiaoming
Add.	No. 666 West Wangjiang Road, High-tech Development Zone, Hefei	No. 666 West Wangjiang Road, High-tech Development Zone, Hefei
Tel.	0551-67892230	0551-67892230
Fax	0551-65331802	0551-65331802
Email	taojiang@iflytek.com	xmchang@iflytek.com

III. Information Disclosure and Location Where the Disclosure is Kept

Stock exchange websites for disclosure of the Company's annual report	http://www.szse.cn/
Media outlets and websites for disclosure of the Company's annual report	http://www.cninfo.com.cn The <i>Securities Times</i> , the <i>China Securities Journal</i> , the <i>Shanghai Securities News</i> , and the <i>Securities Daily</i> , as well as http://www.cninfo.com.cn
Location where copies of this Annual Report are kept	The Securities Department of the Company

IV. Changes in Registration

Organizational code	91340000711771143J
Changes in main business after IPO of the Company (if any)	Based on the breakthroughs in core AI technologies, the Company has further evolved from "empowering machines to listen and speak" to "empowering machines to understand and think", and has grown from a provider of core speech and intelligence technologies and relevant application solutions to a leader in the AI industry.
Changes in controlling shareholder (if any)	No controlling shareholder

V. Other Relevant Information

Accounting firm engaged by the Company

Name of the accounting firm	RSM Certified Public Accountants (Special General Partnership)
Office address of the accounting firm	29th Floor, Block A, Zhidi Square, Intersection of Longtu Road and West Lvzhou Road, Shushan District, Hefei, Anhui Province, China
CPAs (Practicing)	Zhang Liangwen, Yao Bei, and Ren Gangming

Sponsors engaged by the Company in continuous supervision during the reporting period

Applicable Not applicable

Name of the sponsor	Office address of the sponsor	Name of the sponsoring representative	Continuous supervision period
GuoYuan Securities Co., Ltd.	No. 18, Meishan Road, Hefei City, Anhui Province, China	Li Hui and Li Jun	2021.7.19-2021.12.31

Financial advisors engaged by the Company in continuous supervision during the reporting period

Applicable Not applicable

VI. Main Accounting Data and Financial Indicators

Whether the Company needs to make retroactive adjustments to or restate accounting data for prior years

Yes No

Item	2021	2020	Increase/(decrease) YOY	2019
Operating Revenue (RMB)	18,313,605,605.92	13,024,657,865.85	40.61%	10,078,688,919.69
Net profit attributable to the Company's shareholders (RMB)	1,556,463,894.56	1,363,789,616.73	14.13%	819,175,858.63
Net profit excluding non-recurring profits and losses attributable to the Company's shareholders (RMB)	978,739,466.81	767,389,240.68	27.54%	488,797,977.01
Net cash flows from operating activities (RMB)	893,075,431.31	2,270,754,855.94	-60.67%	1,531,468,509.95
Basic earnings per share (RMB)	0.70	0.64	9.37%	0.40
Diluted earnings per share (RMB)	0.68	0.61	11.48%	0.38
Weighted average return on net assets (%)	10.93%	10.97%	-0.04%	8.22%
Item	At the end of 2021	At the end of 2020	Increase/(decrease) YOY	At the end of 2019
Total assets (RMB)	31,394,037,754.41	24,836,091,818.68	26.40%	20,100,836,085.61
Net assets attributable to the Company's shareholders (RMB)	16,780,723,702.63	12,668,005,446.56	32.47%	11,417,958,785.25

The lower of the Company's net profits before and after excluding non-recurring profits and losses over the last three fiscal years were all negative, and the most recent year's audit report shows uncertainty in the Company's capacity of continued operation.

Yes No

The lower of the Company's net profit before and after excluding non-recurring profits and losses were negative.

Yes No

VII. Differences in Accounting Data under Chinese and Foreign Accounting Standards

1. Net profit and net assets differences in the financial reports disclosed under IFRS and under CAS

Applicable Not applicable

There was no difference in net profit and net assets in the financial reports disclosed under IFRS and that disclosed under CAS during the Report Period.

2. Net profit and net assets differences in the financial reports disclosed under foreign accounting standards and under CAS

Applicable Not applicable

The Company did not see any net profit and net assets differences in the financial reports disclosed under foreign

accounting standards and under CAS during the reporting period.

VIII. Quarterly Key Financial Indicators

Unit: RMB

	Q1	Q2	Q3	Q4
Operating Revenue	2,501,303,217.85	3,817,347,314.77	4,549,313,267.14	7,445,641,806.16
Net profit attributable to the Company's shareholders	139,470,569.39	279,107,268.35	310,187,574.93	827,698,481.89
Net profit excluding non-recurring profits and losses attributable to the Company's shareholders	105,904,298.59	103,554,056.29	305,097,049.59	464,184,062.34
Net cash flows from operating activities	-1,205,546,397.13	-528,377,190.32	246,587,699.75	2,380,411,319.01

Whether there are significant differences between the above financial indicators or their aggregates and relevant indicators in quarterly and semi-annual reports disclosed by the Company

Yes No

IX. Non-recurring Profit and Loss Items and Amounts

Applicable Not applicable

Unit: RMB

Item	Amount in 2021	Amount in 2020	Amount in 2019
Profit or loss on disposal of non-current assets (including the write-off of the provisions for impairment losses)	-7,253,207.50	10,172,959.83	-3,963,385.38
Government grants included in current profit or loss (excluding those closely related to the normal operations of the Company and regularly granted in uniform standard quota or quantity by the government conforming to national policies)	438,785,803.74	425,577,693.85	412,178,689.71
The cost of investments in subsidiaries, associates and joint ventures acquired by an entity is less than the entity's share of the net fair value of the investee's identifiable assets and liabilities		57,004.44	
Profit or loss on entrusting others with investment of assets management	9,441,683.54	23,760,903.38	15,951,545.51
Profit or loss from changes in the fair value generated from the Company's held-for-trading and derivative financial assets, and held-for-trading and derivative financial liabilities, and investment income from the disposal of held-for-trading and derivative financial assets, held-for-trading and derivative financial liabilities, and other debt investments, except for effective hedging business related to the Company's normal business	338,818,986.25	371,116,387.49	95,019,763.06
Reversal of impairment provision for the accounts receivable for which an independent impairment test is conducted	190,509.33		
Other non-operating revenue and expenses besides items above	-80,388,578.22	-84,847,671.00	-49,934,658.02

Other profits or losses that belong to non-recurring profits and losses		-47,205,110.57	-70,832,206.79
Less: Effect on income tax	112,234,621.94	98,568,980.10	64,251,162.98
Effect on non-controlling interests(after tax)	9,636,147.45	3,662,811.27	3,790,703.49
Total	577,724,427.75	596,400,376.05	330,377,881.62

Explanation on defining non-recurring profit and loss items specified in the *Explanatory Announcement on Information Disclosure for Companies Offering Securities to the Public No.1 – Non-recurring Profits and Losses* as recurring profits and losses

Applicable Not applicable

The Company did not define non-recurring profit and loss items specified in the *Explanatory Announcement on Information Disclosure for Companies Offering Securities to the Public No.1 – Non-recurring Profits and Losses* as recurring profits and losses.

Section III Management Discussions and Analysis

I. Industry Overview during the Reporting Period

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Self-discipline Regulation for Shenzhen Stock Exchange Listed Companies of No. 3: Industry Information Disclosure*.

1. Development opportunities for the AI industry

On 12 January 2022, the State Council released the *Development Plan for Digital Economy during the 14th Five-Year Plan Period*. The plan specifies the guiding ideology, basic principles, development goals, key tasks and supportive measures for promoting the healthy development of the digital economy during the 14th Five-Year Plan period. According to the development goals proposed in the plan, China's digital economy will seek across-the-board expansion by 2025, and the value added of core industries of the digital economy will account for 10% of the gross domestic product (GDP). AI is the key driver in the development of the digital economy, and all major global science and technology powers attach great importance to technological advancements and industrial development of artificial intelligence. China has already listed AI in its new infrastructure construction and has put forward and launched the “National Program for Medium-to-Long-Term Scientific and Technological Development (2021 – 2035)”, prioritizing the development of the three main driving forces—AI, quantum information and integrated circuits. It has become a major historic campaign in China's economic and social development to apply AI to meet people's shortages, build a “happy China” and integrate the technology with the real economy to build industrial capabilities. The 14th Five-Year Plan has listed AI as a “top priority” in frontier technology, a move that will unquestionably drive China's AI industry forward by leaps and bounds.

The *Report on the Work of the Government*, delivered at the “Two Sessions” in 2021, stressed the use of scientific and technological innovations to drive high-quality development and step up support to people's livelihoods. It also proposed measures to improve public well-being, including the development of fairer and higher quality education and the building of an educational system for all-round development; the quality and balanced development of compulsory education and integrated development for urban and rural areas, so every child would have the opportunity to succeed; the development of technologies for disease prevention, treatment and other purposes related to public well-being, building of health systems, extensive reform of disease prevention and control systems, innovation in building coordination mechanisms of healthcare and disease prevention, nurturing of general practitioners (GPs) and doctors in rural areas, improvement of medical services in counties and expedited building of a tiered medical system; and the strengthened development of digital governments and the sharing of administrative data. The key development proposals stated above provide favourable policies and a macro-environment for the Company to continue to drive key advancements in AI and industrial development, as well as the large-scale application of products and solutions in smart education, smart healthcare, smart cities and other business areas.

Pursuing “tangible applications that may be promoted in large scale with the results proven by statistics and”, iFLYTEK, “the national AI team”, has been committed to using AI to tackle major issues in social development over the years. iFLYTEK Applications in major fields have been generating exemplary results, and strategic bases underpinning sustainable development have also taken shape. Meanwhile, capitalizing on its credibility as “the national AI team”, iFLYTEK focuses on addressing users' rigid demands. In addition to continuing its investment

by a wide margin over others in key technologies, the Company has integrated key innovative technologies to gain advantages in “systematic innovation”. The strategic bases and “systematic innovation” will become iFLYTEK’s core competitive advantages, as it will not only be one step ahead but will become a true leader in AI development.

2. Uncertainty in the international situation prompting independent innovation of original core technologies

According to documents released by the United States Department of Commerce on 7 October 2019 (EST), some Chinese technology companies, including iFLYTEK, were included on the Entity List by the U.S. government. iFLYTEK remains committed to independent innovation in core technologies and possesses world-leading core technologies such as smart speech and AI. In recent years, technologies developed by the Company have continued to come out top in international tests, including machine translation, natural language understanding, image recognition, image understanding, knowledge graph, knowledge discovery and machine reasoning. Since all of these core technologies have been independently researched and developed by iFLYTEK, the Company also owns their independent intellectual property rights and is thus not passive in terms of core technologies. After being included on the Entity List, iFLYTEK has quickly switched to a non-U.S. supply chain system made up of mainly domestic suppliers, enabling itself to continuously provide customers with quality products and services. The Company’s operations have not been significantly impacted.

The Central Economic Work Conference in 2020 laid out eight major tasks for 2021, and the first two were strengthening China’s scientific and technological capabilities of strategic importance and increasing independent control over industrial and supply chains. Under the strategic planning for “persisting in driving development with innovations and expediting the development of a modern industrial system; and persisting in giving innovation a key role in China’s modernization and providing strategic support to China’s development with independent technology”, China will continue to strengthen its scientific and technological capabilities of strategic importance and step up its investment in independent innovations. The move will facilitate companies such as iFLYTEK to independently innovate and extensively apply core AI technologies into different industries.

II. Business Highlights during the Reporting Period

(i) Business overview

Since its founding, iFLYTEK has remained devoted to the research on core technologies, including smart speech, natural language understanding, machine learning and reasoning and independent learning. Being an international leader in the technologies, the Company actively promotes the research and development and industrial application of AI products. iFLYTEK is committed to enabling machines to “listen and talk, think and understand” and to “creating a better world with AI”. The Company is firmly focused on its indomitable development strategy, whereby it will take a lead internationally with its core technologies that will be extensively adopted by industries.

iFLYTEK is also strongly committed to its AI strategy of “platform + tracks”. In terms of the platform that empowers developers, it relies on the iFLYTEK Open Platform, China’s first open AI platform, to provide developers with one-stop AI solutions and to further the development of the AI industry.

In terms of the tracks of application, iFLYTEK has achieved positive interplay between innovative original technologies and industrial application in fields such as education, healthcare, office and smart cities.

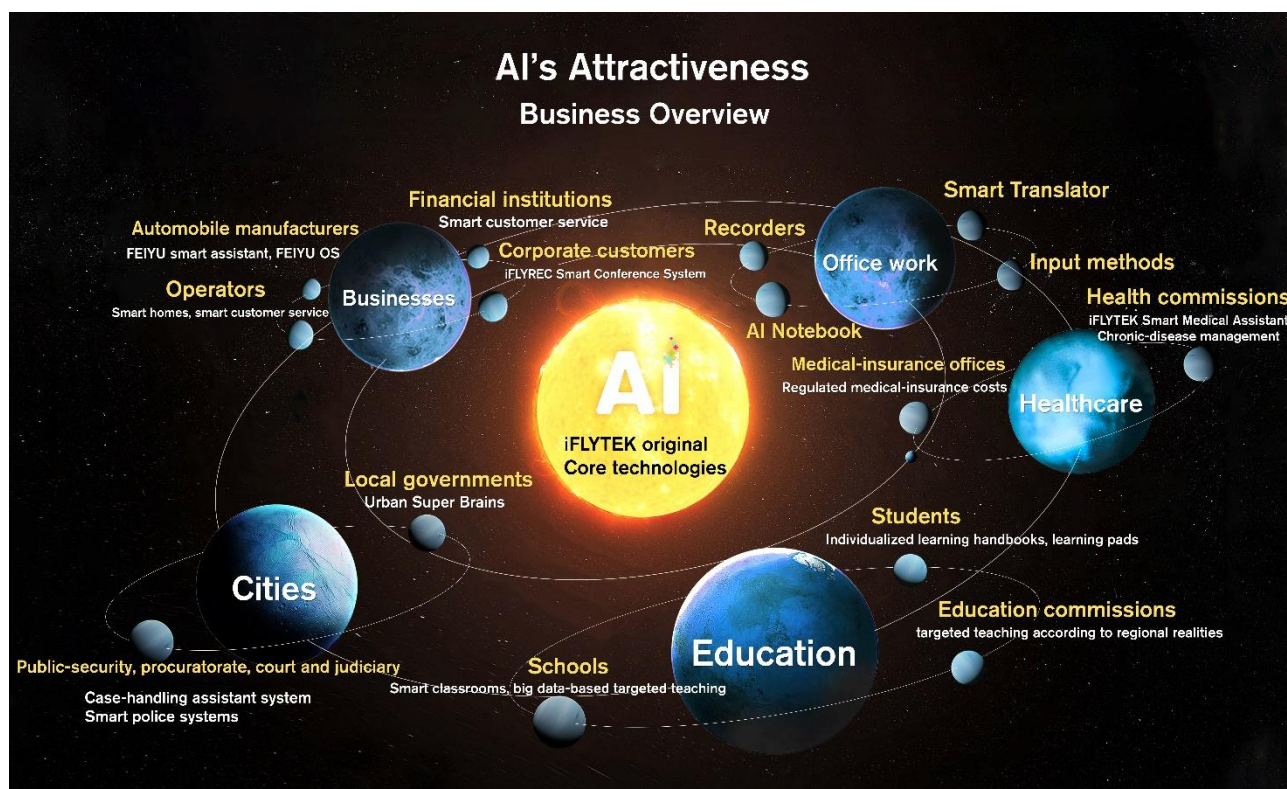


Figure 1 An overview of key products and customers

1. Smart education

In terms of education, guided by the ideal of “AI-empowered teaching according to students' abilities” and in response to the major national educational mission, iFLYTEK has fully applied core AI technologies to education and learning. The Company provides students, teachers and education supervisors at all levels with more targeted and expedited services. This helps the amassing of data during teaching and learning and alleviates the burden on teachers and students, which improves efficiency and promotes educational advancements. To date, iFLYTEK smart educational products have been adopted by 32 provincial-level places in China and foreign markets such as Japan and Singapore.

iFLYTEK smart education focuses on “alleviating students’ burden while improving teaching quality; reducing tests while scientifically assessing teaching results; promoting all-round education while satisfying the demands of building scientific and technological capabilities”. As a result, business systems targeting government, business and individual customers have been developed. The business to government chiefly involves the development in regions such as municipalities, counties and districts, which covers general solutions based on students’ aptitude for all the schools and users in the regions. The business to corporate customers chiefly involves school development, which includes targeted teaching based on big data and English-listening and -speaking tests. The business to individual customers chiefly involves independent purchases made by parents, which includes AI-powered learning pads and individualized learning handbooks.

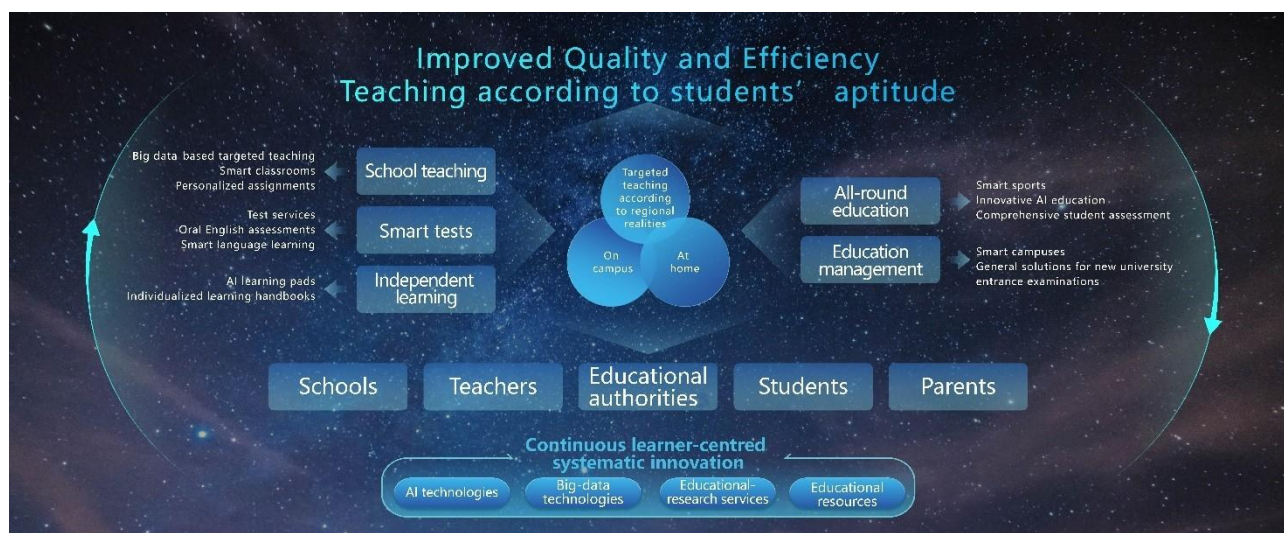


Figure 2 Overview of smart education business

2. Smart healthcare business

In terms of healthcare, iFLYTEK's mission is to create "an AI diagnosis assistant for every doctor and an AI health assistant for every person". With its world-leading AI technologies, the Company provides community-level doctors with general practice diagnosis assistance using core technologies, such as medical-semantic computing, medical NLP, medical-knowledge inference and medical-data mining. They standardize the diagnostic and treatment processes, reduce misdiagnosis and diagnostic errors, provide AI general practice clinical support to doctors in making clinical decisions and enhance medical service standards and efficiency. Furthermore, they provide health commissions with smart supervision services in diagnostic processes and quality based on real-time data. The medical test robot operating based on iFLYTEK's core AI technology passed the written test of the National Vocational Physician Qualification Examination in 2017 with a total score of 456, surpassing 96.3% of human candidates across China; it became the world's first AI system to pass a national vocational physician qualification examination. Products based on the medical test robot, such as iFLYTEK Smart Healthcare General Practice Medical Assistant, have been extensively adopted by medical institutions.

3. Smart city business

In terms of smart cities business, iFLYTEK focuses on government digitalization while improving the efficiency in political and legal administration. The Company provides AI-based products and general solutions for urban governance, administrative services and industrial development. This empowers urban development and connects user data of organizations, allowing data feedback, iteration, learning and improvement while creating a model of continuous urban service driven by data.

4. Open Platform and consumer business

As one of the first "national next-generation open AI innovation platforms", iFLYTEK Open Platform is an AI technological and ecological service platform based on the Company's internationally leading AI technology and big-data operational capability. The platform provides developers and industry partners with comprehensive industry-chain services through technological, market and business-model empowerment. Building upon it, the Company has developed capability platforms, including an AI marketing platform and a smart-industry platform, which will further diversify the ecology of the AI industry.

With respect to consumer business, iFLYTEK focuses on AI + office and offers office products and services,

including smart notebooks, smart recorders and the iFLYREC app. Original unstructured data, such as audios, and images, generated at work may be swiftly processed and turned into text data easy to save and search, thus enhancing work and learning efficiency.

5. AI solutions for corporate customers, such as operators, smart automobiles and smart finance

iFLYTEK provides operators, automobile manufacturers and financial institutions with AI-application solutions:

(1) For operators

The iFLYTEK business focuses on customers such as China's top three telecommunications operators and radio and television administrations and facilitates their digitalization. The Company provides households, companies and individuals with products and applications such as smart home voice platform, smart customer service and smart AI services. Building upon iFLYTEK's multi-modal interactive capability and the contents amassed from the open platform, the smart home-television voice-interaction platform offers general solutions for scenarios such as film and entertainment, children's all-round development, elderly care and home security, helping operators improve the business value of household users. Meanwhile, the Company's smart customer service introduces AI at multiple service points to help operators improve user satisfaction and reduce user complaints.

(2) For automobile manufacturers

The Company's smart automobile business targets automobile manufacturers at home and abroad and offers products and solutions such as the FEIYU smart assistant, FEIYU OS, FEIYU vehicle audio-management system and AI sales and services. The FEIYU smart assistant fully integrates speech, vision and scene perception to solve issues such as monotonous in-car interaction, fragmented interaction models and high learning costs, so as to create natural multi-modal interactions between drivers and their vehicles. The FEIYU OS combines AI algorithm with big data to provide dedicated in-car services, allowing users to enjoy the highly efficient customized information and entertainment services anytime, anywhere. The smart audio-management system offers the ultimate in-car audio experience, while AI sales and service focus on enhancing automobile and dealer sales and services.

The above-mentioned products have already been adopted by mainstream domestic and joint-venture automobile manufacturers in China, including FAW Group, Dongfeng Motor Corporation, Changan Auto, SAIC Motor, GAC Group, BAIC Group, JAC Motors, Chery Automobile, Great Wall Motor, BYD Company, Geely Auto, Volkswagen, Audi, Toyota, Honda and Ford, as well as emerging manufacturers, such as NIO, Lixiang, HiPhi, Weltmeister and Leapmotor.

(3) For financial institutions

Smart financial services primarily involve offering comprehensive digital-management and -operational solutions for financial institutions, such as banks, insurers and securities companies. The AI-powered financial solutions include AI middle office, data middle office, knowledge middle office, financial-marketing platform, smart customer service, smart outlets, digital staff, smart risk control, assisted review and approval, smart consumer protection and smart office work.

(ii) Main business development during the reporting period

1. Smart education business

The 19th meeting of the CPC Central Committee Comprehensively Deepening Reforms Commission in May 2021 reviewed and approved the *Opinions on Further Reducing the Burden of Homework and Off-Campus Training for Compulsory Education Students* (known as the "Double Reduction" policy), which were published

by the General Office of the Central Committee of the Chinese Communist Party and the General Office of the State Council in July 2021. The Double Reduction policy emphasizes “further improvement in education quality and services, logical and reasonable assignments and satisfactory after-school services that will lead students back to more on-campus learning”.

The *Guiding Opinions on Promoting the Building of New Educational Infrastructure to Devise a High-Quality Educational Support System*, released by the Ministry of Education and five other departments in July 2021, specified that “where the conditions allow, regions should popularize personal-learning terminals that meet technical standards and meet learning needs”.

The *Plan for IT Application during the 14th Five-Year Plan Period*, released in December 2021, specified “elevating the level of digital education infrastructure to promote educational reforms that combine information technology, smart technologies and education practices”.

The policies mentioned above provide favourable policy support and a conducive macro-environment for the extensive application of AI in realizing teaching according to students' aptitude and the development of Company's smart education business. iFLYTEK's smart education products and solutions have been widely adopted for teaching and learning, and they are recognised by governments, favoured by teachers and trusted by parents.

1.1 Extensive replication of the success of teaching according to students' aptitude in different regions

During the reporting period, iFLYTEK's comprehensive smart education solutions for teaching according to students' aptitude continued to be adopted. They have been adopted and widely applied in nearly 20 districts, counties and cities including Jinshui District in Zhengzhou City, Wuhan Economic & Technological Development Zone, Qingdao West Coast New Area, Dadong District in Shenyang City, Changchun City in Jilin Province and Yijiang District in Wuhu City. A large amount of data has already been generated proving their effectiveness.

Taking Bengbu City in Anhui Province for example, after the adoption of iFLYTEK's general solutions for teaching according to students' aptitude, the city was nominated by the Ministry of Education as a pilot zone for “new teaching and learning models based on teaching reforms and integrated information technology” in August 2020. It was also nominated by the Ministry of Education as a “model area for smart education” for 2020 in February 2021. In September the same year, it was nominated by the Ministry of Education as one of the second batch of areas that promote teacher education with AI. Bengbu is one of the only two Chinese regions (the other one, Haidian District of Beijing) selected for all of the three demonstration and pilot projects mentioned above.

During the reporting period, the provinces adopting the smart test-grading technology to the College Entrance Examinations increased from nine to 12 across China. As for English listening and speaking test business, during the reporting period, our system has been deployed in the College Entrance Examinations in 4 additional provinces and municipalities and in the high school entrance examinations in 29 cities, which increases the total numbers of College Entrance Examinations organizing provinces covered to 14, and the high school entrance examinations organizing cities covered to 87.

1.2 Significant increase in the value of products targeting schools

During the reporting period, following the implementation of the “Double Reduction” policy, demands have grown further for application scenarios such as smart classrooms, big data-based targeted teaching, flexible assignments, independent learning, all-round education and smart management.

For the classroom scenario, core technologies such as big data and AI analyse students' knowledge based on their tests, classroom interactions and assignments and offer customized solutions for their weaknesses. The technologies will also allow teachers to gain an accurate understanding of the students and focus on typical and

individual questions. Furthermore, teachers will be able to give assignments that are flexible and personalized while reducing ineffective and repetitive tasks, so as to help enhance learning efficiency and promote the implementation of the “Double Reduction” policy. In 2021, the flexible-assignment solution has helped about 120,000 teachers give over 60,000 assignments to nearly 4 million students in over 8,000 schools.

The “Double Reduction” policy focusing on on-campus teaching and learning has opened up the untapped market of after-school services. iFLYTEK’s after-school service solutions target educational regulators, third-party organisations, schools, teachers, parents and students. The solutions offer services with strong support and to higher standards and tackle seven key issues, including the supply of course resources, educational administration and management, course assessments and data monitoring. To date, iFLYTEK’s after-school services cover 4,000 schools in over 170 districts and counties.



Figure 3 The launch of iFLYTEK’s after-school service solutions

1.3 Student-oriented AI independent learning products continue to prove their worth

Against the background of the “Double Reduction” policy, schools have put forward higher requirements for setting tiered, flexible and personalized assignments, generating even stronger demand for individualized learning handbooks. iFLYTEK’s individualized learning handbooks have achieved breakthroughs in core technologies and production innovation. The human-powered question-suggestion engine has won an accepted recommendation rate of over 95%, cutting students’ ineffective learning time by nearly 60% and helping them solve an average of over 80% of previously incorrectly answered questions. During the reporting period, the number of schools adopting iFLYTEK’s individualized learning handbooks increased by 50%, increasing the user base by 40% over the same period of last year and the repurchase rate also grew from 75% to 90%.

iFLYTEK’s AI learning pads boast a “4+1 standard”, that is, they are able to “make learning analysis, recommend learning materials, improve language skills and boost confidence with satisfying results with whole-process protection”. With the help of AI, the learning pads help students learn independently and improve efficiency. Sales of the learning pads to individual consumers surged by 150% in 2021, while the gross merchandise volume (GMV) and sales on JD and Tmall, China’s online business-to-consumer retail platforms, soared by 200% year-on-year. The learning pads topped the industry with a net promoter score (NPS) of nearly 40%. (Note: The score is a market research metric that reflects the likelihood of consumers recommending a certain business or service to other people.)

2. Smart healthcare business

The *Opinion of the CPC Central Committee and the State Council on Advancing Rural Vitalization across the Board and Accelerating Agricultural and Rural Modernization*, released by the State Council in January 2021, proposes to “advance the building of healthy rural areas across the board and improve the health management level of village-based clinics and health service level of primary medical institutions”. Besides, the *Outline of the 14th Five-Year Plan (2021-2025) for National Economics and Social Development and Vision 2035 of the People's Republic of China* points out, “the government will channel resources down to primary healthcare level and balance the regional distribution of quality medical resources”. The above-mentioned policies have made further clear that the application of artificial intelligence (AI) in the healthcare sector calls for further strengthening of public healthcare services at primary level, promotion of tiered diagnosis and treatment system, and equal access to basic healthcare services.

During the reporting period, iFLYTEK General Practice Medical Assistant has covered 284 districts/counties in 28 provinces (autonomous regions and municipalities directly under the central government) and been regularly applied. It has cumulatively served more than 50,000 primary doctors and 100 million residents, assisted primary doctors in finishing over 130 million standard electronic medical records, provided 340 million pieces of AI clinical support suggestions, and given more than 170,000 valuable corrections to diagnoses (a doctor corrects his/her previous diagnosis based on the reminder from the iFLYTEK General Practice Medical Assistant, and the final diagnosis is consistent with the medical record information) within a year.

With its core healthcare technology and capability, iFLYTEK has been assisting governments and medical institutions with pandemic prevention & control and general public healthcare follow-up interview services, benefitting a total of over 600 million people. This has also tremendously improved the efficiency of primary healthcare staff in pandemic prevention & control as well as that of public healthcare follow-up interviews. It also provides decision-making analysis and support for national health commissions so that they are able to assess public healthcare services across provinces more scientifically and allocate public healthcare services funds more fairly.

iFLYTEK Healthcare continues to pursue AI-enabled product innovation in medical insurance cost control and chronic disease management. A medical insurance cost control pilot program has been launched in Changzhi and Lvliang Cities of Shanxi Province. With respect to chronic disease management, the chronic disease management system in Jieshou City of Anhui Province has recorded over 1.8 million AI-based interventions, which helped doctors improve management efficiency by more than five-fold, increased the control rate of high blood pressure to 72.45% from 39.2%, and reduced the hospitalization rate of cardiovascular and cerebrovascular patients to 14.48% from 18.2%. In 2021, the “chronic disease management model of Jieshou City” was recommended as a typical case of “I Bring Tangible Benefits for the People – 2021 Demonstration Project for Improving People’s Living Standards”, a selection event guided by the People’s Daily.

3. Smart city business

iFLYTEK’s Urban Super Brain solutions has been adopted by cities in Anhui Province, including Tongling, Xuancheng, Wuhu, Hefei and Bozhou. They have also been widely launched across the country with positive application results, such as in Tianjin, Liaocheng City in Shandong Province, Changchun City in Jilin Province, Luohe City in Henan Province, Tongchuan City in Shaanxi Province and Wuhai City in Inner Mongolia. Meanwhile, Tongling City has been named “China’s leading smart city” for three consecutive years. It has also been selected as one of the “Top 10 Examples of Local-Governance Innovation in the Yangtze River Delta in 2020” by the *Decision-Making* magazine, and listed as one of the world’s six models in the *Research Report on the Global Standard of City Brains* by the WWNS-R.

During the reporting period, iFLYTEK undertook the construction of Jianghuai Big Data Center's main

platform in Anhui Province. To date, it has been connected to 16 prefecture-level cities with over 1 trillion pieces of data having been exchanged, placing itself among the country's top three in terms of interface-data sharing and access among national ministries and commissions. The Company also lent its support to Anhui Province's online administrative services in 2021, which have been ranked top of the country for four consecutive years. Anhui's smart administration model, Guangdong's government digitalization and Zhejiang's one-stop service supported by iFLYTEK have all been listed as national innovative practices.



Figure 4 The launch of Jianghuai Big Data Center's platform

During the construction of Jianghuai Big Data Center's platform, iFLYTEK was also overseeing the operations of the All in Wan app. With continual learning through data iteration, the Company created a national benchmark for the business model of “database + app”. The All in Wan app recorded over 10 million active users each month in 2021 and a total of over 10 billion visits.

Building upon its experience in the field of AI + smart city, iFLYTEK began exploring big data-based inclusive health insurance in 2021. During the reporting period, *Huimin* insurance, (a government-led inclusive-insurance programme) initially developed for Anhui Province, was launched in 20 cities across China, serving over six million people. It has played an active role in substantially lowering the medical-treatment costs for individuals and has prevented poverty caused by illness.

During the reporting period, the Company completed the development of a cloud speech-backed platform for courts, which has been connected to 466 sub-platforms across the country, covering over 1,500 courts in 26 provinces. The platform achieves the unified application of speech technologies to courts around the country, unified collection and training of speech materials, unified management and sharing of models and unified quality and efficiency analysis of application data.

4. iFLYTEK Open Platform and consumer business

4.1 iFLYTEK Open Platform

In 2021, iFLYTEK Open Platform continued to offer diverse AI capabilities in fields such as multilingual speech synthesis, multilingual speech recognition, natural language processing, image and text recognition and human and machine interaction. These capabilities helped developers shorten development cycles and cut the costs while promoting the launch of products in a highly efficient way. During the reporting period, the iFLYTEK Open Platform was already offering the public 499 AI capabilities and solutions and had attracted 2.93 million developers. The platform focused on 18 industries, including finance, agriculture and energy, providing them with diverse smart-speech and AI capabilities and solutions. The AI marketing based on the iFLYTEK Open Platform

has greatly helped partner developers cash in on their business and has seen a 55.5% revenue growth over the same period of last year. In 2021, the Company received the “China Advertising Great-wall Awards”, the only advertising award approved by the State Council.

The same year, the iFLYTEK 1024 Global Developer Festival was attended by 46,000 participants in person and over 12 million participants online. The “Open Platform 2.0 Strategy” was formally unveiled at the festival. Within the framework of the strategy, iFLYTEK will bring industry leaders together to lay the foundations of the industry, while opening its technologies to gather more developers and their ideas, so that they can develop applications through low- and zero- code programming. In this way, all parties in the AI industry will jointly build the AI ecology in a highly-efficient way and enjoy win-win cooperation.

4.2 Consumer business

During the reporting period, based on its mission of “making work and learning easier and more efficient and making life more comfortable and entertainment more accessible”, iFLYTEK rolled out and iterated smart AI + office hardware products. The Company’s brand influence was further enhanced and its brand influence on customers also improved significantly. Sales of consumer hardware and the GMV shot up by 140% and 152% over the same period of last year, and the GMV on both JD and Tmall grew over 80%. Sales through new marketing channels, including TikTok, also expanded rapidly, figuring as a major method of consumer products marketing. In August 2021, iFLYTEK stepped up the marketing of its consumer brand as “advanced, ingenious, evolving and caring”. The Company developed an extensive user-oriented physical retail model and opened 20 direct-sale stores in five Chinese cities, namely Beijing, Shanghai, Shenzhen, Hangzhou and Nanjing. Meanwhile, the Company developed a flat organisational structure that comprises offline expansion, direct sales, products, growth and training. Such a model has been proven effective and can be quickly applied to more places.

(1) iFLYTEK Input Method

During the reporting period, iFLYTEK released its input method V11.0, which adopts an automatic speech-recognition framework, called temporal feedback end-end multi-channel ASR (TFMA) that integrates front- and back-end systems. The framework allows breakthroughs in speech recognition in complex scenarios and helps achieve highly efficient speech input in different scenarios. To date, the method supports speech recognition in 12 foreign languages and 23 dialects and five ethnic languages from China. Meanwhile, keyboards for Japanese and Korean inputting had also been added to satisfy multilingual communication needs.

In 2021, the total number of active users per month of the iFLYTEK input method grew by 20% and the monthly use of its speech recognition function rose by 30%. The recognition and reputation of the iFLYTEK speech technologies remained top in the industry.

(2) iFLYTEK AI Notebook

During the reporting period, the Company launched its second-generation AI Notebook X2, targeting business conferences and simple office scenarios, and a product co-branded with LAMY from Germany. The tablet enjoyed full upgrades in terms of design, efficiency, encryption and user friendliness. Based on the speaker-separation technology, iFLYTEK AI Notebook X2 is able to achieve 95% accuracy in automatic speech recognition in a multi-speaker scenario. Meanwhile, its offline recognition engine allows speech recognition and transcription even without an Internet connection.



Figure 5 iFLYTEK AI Notebook X2: full upgrades in design, efficiency, encryption and user friendliness

iFLYTEK's AI smart notebooks dominated the domestic market in 2021. The sales topped e-book products over the two renowned online shopping sprees in China on 18 June and 11 November, and surpassed Kindle sales for the first time on e-commerce platforms. During the reporting period, iFLYTEK **AI Notebook X2** won Red Dot Award from Germany and the gold prize at China's MEI Awards in 2021. Meanwhile, the Company's smart laptop T1 won China's Design Intelligence Award.

(3) iFLYTEK Smart Recorders

iFLYTEK smart recorders are a one-stop solution to customer needs such as speech recording, transcription, translation, storage and file export. They come in the SR and H1 series for reporters, conference attendees, office workers and teachers and students. The former has an independent terminal, while the latter may be used in conjunction with the iFLYREC app. iFLYTEK launched the world's first wristband recorder R1 in May 2021, creating a new form of smart recorder. The Company launched the world's first fully offline transcription device SR302Pro in September 2021, which supports high-resolution recording, fully offline real-time transcription and large storage.



Figure 6 iFLYTEK smart recorders

During the reporting period, iFLYTEK's smart recorders remained atop the industry and their users grew by

43%. The devices are available in 876 cities in 158 countries across six continents, as well as in 3,545 physical stores. They have won many awards, including the Red Dot Award from Germany, the iF Design Award, CRCC safety certificate, International Design Excellence Award (IDEA), China Content Broadcasting Network (CCBN) Annual Innovation Award, A' Design Award, Big Data Expo Leading Technological Achievement, AWE Smart Technology Award, “New Domestic Product” of China Brand Day, MEI Award and Goldreed Industrial Design Award.

(4) iFLYTEK Smart Translator

During the reporting period, iFLYTEK’s Dual-screen Translator was officially launched at the China International Consumer Products Expo. It supports simultaneous translation display to both the two sides in a conversation, speech translation in 83 languages and image translation in 32 languages, with the languages covering almost 200 countries and regions. Its Chinese and English online translation proficiency meets the standard of the Test for English Majors-Band 8 (TEM-8), whereas its offline translation may reach China’s College English Test level 6 (CET-6). This means it may satisfy users’ professional translation needs on different occasions, such as business negotiations, talks or international conferences. The smart translator has continued to shine at major international conferences, including Expo 2020, World Artificial Intelligence Conference, China International Import Expo and World Manufacturing Convention.



Figure 7 iFLYTEK Dual-screen Translator offers dual-screen display, easy control and smooth communication

(5) iFLYREC Intelligent Conferencing System

The iFLYREC app and website have to date served over 37 million customers and transcribed over 62 million hours of speeches at a 91% customer satisfaction rate. Targeting business customers, the iFLYREC Intelligent Conferencing System has become a comprehensive technological support system with a 98% accurate transcription rate and is able to convert a one-hour speech in as short as five minutes. It has achieved positive application results in many businesses.

The iFLYREC Intelligent Conferencing System contributed enormously to improving meeting minutes recording efficiency at China’s “Two Session” and multilingual communication events of the Beijing Organising Committee for the 2022 Olympic and Paralympic Winter Games. At the “Two Sessions”, iFLYREC unprecedentedly served as an AI meeting minutes recorder, promoting efficient reporting at the National People’s Congress and the Chinese People’s Political Consultative Conference. The reports were generated with significantly higher efficiency, greatly facilitating the IT application in government administration. With respect to Beijing 2022, iFLYREC targeted the Organising Committee’s administration and information release to ensure free communication between individuals and organizations. The smart conferencing system’s Chinese and English

core speech-transcription and -translation technologies supported live information display on screens, international conferences and interviews. The system was set up in 50 of the Organising Committees' conference offices, offering technical support for free communication at over 1,000 international exchange events.

5. AI solutions for business customers, including operators, smart automobiles and smart finance companies

(1) For operators

During the reporting period, users of the smart home-television speech platform continued to grow in number, with the daily interactions reaching 70 million times on average. The platform's speech applications and services were introduced in 18 Chinese provinces. Meanwhile, the smart customer services covered 20 provinces, providing services on over 200 million occasions on average per month and saving the human resource costs of around 5,000 call operators each year.

During the reporting period, iFLYTEK collaborated extensively with China Mobile. By combining AI and 5G networks, a 5G smart-communication platform was developed based on 5G networks' smart computation. The platform facilitates free communication and helps overcome language barriers among regions and countries. It also effectively helps individuals with hearing problems to make video calls. The results were first seen at Beijing 2022, where the 5G calls allowed individuals with hearing problems to "see" the calls and overcome the digital gap.

(2) For automobile manufacturers

In 2021, the Company's smart-automobile solutions achieved breakthroughs in core technologies such as multi-modal speech enhancement and multi-modal integrated interaction, allowing automobiles to capture speeches more clearly and accurately. The innovative multilingual technological solutions have also helped the automotive industry expand their business abroad. Meanwhile, the dedicated AI-cloud services based on iFLYTEK's core cloud technologies satisfied customers' differentiated demands. Moreover, automotive audio experience were enhanced following the release of a smart in-car audio-management system. The iFLYTEK smart-automobile system was installed in 1,200 types of vehicles and were pre-installed on a total of 39 million cars. During the reporting period, the Company's smart-automobile solutions were pre-installed over 7 million cars and adopted by 200 additional types of vehicles and 40 additional automobile manufacturers, with the cooperation with regular customers growing by 90%. The system recorded over 10 million active users per month and nearly 2 billion times of speech interactions in 2021.

(3) For financial institutions

The Company's smart finance business has covered the banking, insurance and securities industries, with over 2,000 projects for smart customer service, marketing and business operations. iFLYTEK's AI plus financial-product solutions have now been adopted by all the leading financial enterprises. Furthermore, they are being swiftly adopted by regional banks (such as Bank of Beijing and Bank of Ningbo) and are systematically adjusted specific to the local conditions. During the reporting period, the penetration rate of iFLYTEK's AI plus financial applications jumped by over 200% among regional banks. In terms of the technologies involved, the Company has achieved the application and expansion of speech, semantic and image technologies and combined natural language understanding with computer visual technology to realize massive application of smart risk control, assisted review and approval and smart consumer protection solutions.

III. Analysis of Core Competitiveness

1. Original core technologies at world-leading levels

iFLYTEK remains committed to innovation in original core technologies. It was commissioned to build the National Engineering Laboratory for Speech and Language Information Processing (NELSLIP) of the National Development and Reform Commission (NDRC), a national new-generation open AI innovation platform for smart speech of the Ministry of Science and Technology and China's first key national laboratory of smart cognition. In 2021, NELSLIP passed the NDRC evaluation with the overall passing rate below 50% for all the participants. The lab was then included into the new queue management system and built into the National Engineering Research Center of Speech and Language Information Processing.

With its unique mechanism that integrates industries and academic and research institutes, iFLYTEK enjoys unrivalled advantages in the technological field and has undertaken many major provincial and national scientific and technological projects, including:

- major special projects from the Chinese Academy of Sciences (CAS) in collaboration with the University of Science and Technology of China (USTC), which made significant breakthroughs in different languages. As of the end of 2021, the Company led the world with speech- and image-and-text recognition technology in 14 major languages, and its speech synthesis, machine translation and language understanding had caught up with the international standard. The speech recognition and synthesis and machine translation in 23 major languages had also caught up with the international level. Meanwhile, the Company began collaborating with leading Chinese automobile exporters, such as SAIC Motor, Chery Automobile and Changan Auto, providing them with multilingual support for their going-global initiative.
- iFLYTEK Dual-screen Translator was nominated as an outstanding scientific and technological achievement by CAS in 2021. The Company's products, such as the iFLYREC Intelligence Conferencing System, multilingual recorders and multi-modal virtual volunteers at the Beijing 2022, promoted effective barrier-free communication at the Beijing 2022 and were highly recognized by the Organising Committee.
- extensive participation in the Ministry of Science and Technology's "Cohort Study of the Brain Development of School-Age Children in China" of the major project "Brain Science and Neuromorphic Research" of 2030. The Company worked with experts from Beijing Normal University, to measure cerebral intelligence with a focus on reading capacity. The Company also played a leading role in the key subject "Building and Operating the Children's Cerebral Intelligence Development Data and Information Platform" and supported the national strategy related to brain science.
- being tasked to create Anhui Province's first innovative consortium – smart and innovative HMI consortium – that fully allows businesses to turn to the public for solutions. Furthermore, it combines the entire industry chain with tertiary institutes to tackle key technological challenges with a focus on industry-chain security, independence and control.

During the reporting period, iFLYTEK won 10 authoritative international competitions in the AI field and the title as a top Chinese science society. The honors have further strengthened the Company's technological foundations and advantages in areas such as education, healthcare and consumer products.

- In January 2021, iFLYTEK won the Third DIHARD Speech Diarization Challenge (DIHARD-3). The Company had enhanced the diarization capability of its machines in complex environments, and it was for the first time that a Chinese team came top at the event.

- In April 2021, iFLYTEK collaborated with the USTC on the project "Key Adaptive-Learning Technologies and Their Application In Smart Education" and won the first prize of the Wu Wenjun Award for Artificial Intelligence Science & Technology Advancements. The project's technological breakthroughs in big data and AI will overhaul the monotonous educational status quo. It will strongly support an optimized teaching model that is based on students' aptitude and greatly improve learning efficiency. The award is also known as

“China’s highest award for smart science and technology” and represents the topmost honour in the AI field.

- In June 2021, Tsinghua-iFLYTEK Joint Research Center took part in the International Conference on Learning Representations’ Machine Learning for Preventing and Combating Pandemics workshop and participated in the challenge of building a task-oriented dialogue system for automatic medical diagnosis. The Tsinghua-iFLYTEK system passed a total of 2,374 dialogue tests involving 12 diseases and 118 symptoms and came out top among over 70 teams with the most accurate inquiry and diagnoses.

- In July 2021, iFLYTEK came out top at the Lightweight Optical Character Recognition Technological Innovation Competition (LOCR) with 83.29% full-sentence accuracy in complex natural scenarios. The innovative technology is able to recognize characters despite significant compression.

- In August 2021, iFLYTEK and USTC-NELSLIP took part in the International Conference on Spoken Language Translation (IWSLT) and came out top in three tracks in simultaneous interpreting. The Company had once again shown its lead in speech translation and simultaneous interpreting after winning the end-to-end speech translation at IWSLT in 2018.

- In August 2021, with its years of technological experience in road-object detection, iFLYTEK broke the world record with a detection score of 42.9 in Cityscapes 3D’s object-detection tasks following its previous participation in the challenge in 2017 and 2018.

- In October 2021, the Joint Laboratory of HIT (Harbin Institute of Technology) and iFLYTEK Research (HFL) set a new world record with an average total score of 84.1 in the Cross-lingual Transfer Evaluation of Multilingual Encoders. The evaluation covered 40 languages and comprised nine tasks in four categories, including tracks such as sentence-pair classification, sequence tagging, reading comprehension and sentence retrieval. The new record also shows that iFLYTEK’s multilingual-understanding and cross-lingual transfer capabilities have reached yet another new level.

- In October 2021, iFLYTEK came first in the multi-round text-generation task in a conversational scenario at the Tenth Dialog State Tracking Challenge (DSTC10). Compared with previous text-dialogue tasks, this one focused on conversations with the use of emojis in open fields and required multi-modal conversation history to generate consistent and natural text responses. This has once again significantly prompted iFLYTEK’s breakthroughs in core multi-modal and machine-human dialogue technologies.

- In November 2021, iFLYTEK collaborated with USTC-NELSLIP to take part in the Open Automatic Speech Recognition Challenge (OpenASR) organized by the National Institute of Standards and Technology (NIST) of the U.S. The team came first in all 15 low-resource language tracks and seven non-low-resource language tracks. This fully demonstrates iFLYTEK’s internationally leading proficiency in multilingual technologies.

- In December 2021, the HFL set a new world record with a total score of 72.8 in the multi-modal reading-comprehension test of video cassette recorders, proving iFLYTEK’s profound strength in multi-modal and deep-reading comprehension fields.

2. Systematic innovation – from core technology breakthroughs to extensive applications

From the achievement of breakthroughs in core technologies to their extensive application in industries, the process is extremely challenging. On the one hand, the innovation team must be able to realize singular breakthroughs and innovations throughout the business chain. Moreover, they must be able to find out scenarios for large-scale application and provide appropriate business models. In this way, business and technology may complement each other to generate value. Otherwise iFLYTEK would simply become a supplier of singular technologies. iFLYTEK has always been committed to using AI to satisfy rigid social demands and has gained overwhelming advantages in the following two fields:

- 1) While continuing its innovation and lead in single-point core technologies, the Company has expanded the width and depth of its technology system: from speech synthesis to speech evaluation and speech recognition; from speech recognition to text embedded in image recognition and image recognition; from single-modal recognition and synthesis to multi-modal overall perception and enriched expression; and from smart cognition that enables machines to listen and speak to smart cognition that can understand and think. Furthermore, the Company continues to take on more complex scenarios through means such as multi-technological integration and innovation. The innovation of general basic algorithm has given rise to the “amplifier effect” in different technologies, which helps drive the transformation and upgrade from single-point core technological innovation to systematic innovation.
- 2) iFLYTEK is devoted to the principle of AI-value realisation, that is, tangible application examples, expandable standard products and statistically provable application results. That is why it continues to extensively promote and apply AI products and solutions for meeting major social needs, such as education, healthcare and urban living, and in major economic fields, including automobile, finance and consumer products. The Company’s growing profitability and market success have in turn helped strengthening its advantages, such as an in-depth knowledge and understanding of the industrial scenarios and algorithm iteration, which have strengthened the Company’s competitive edge in different industries and fields.

In terms of smart education, iFLYTEK has made breakthroughs in multiple core AI technologies, including spoken language evaluation, complex handwritten formula recognition, understanding of natural language in texts and images, open-question intelligence assessments, multidimensional in-depth student profiles, optimized learning-path planning and personalized recommendations. The Company has achieved systematic innovations in major social subjects related to education, such as teaching according to students’ aptitude, educational assessments and efficient and independent learning. The systematic innovation of smart education has effectively promoted personalized learning to alleviate students’ burden and improve their efficiency with knowledge graphs and personal data. In addition, the integration of technology and classroom teaching has optimized the supply and demand of educational resources and has provided teachers with more targeted teaching materials. iFLYTEK’s solutions for teaching according to students’ aptitude have been widely promoted – from Bengbu City in Anhui Province and Qingdao City in Shandong Province to other places across China. As its business revenues from education continue to grow, the Company is creating immense social value in addressing major social issues, such as alleviating the burden of teachers and students. The use time of its Smart Classroom solution jumped by 315% over the same period of last year and over 1 billion smart assignments were set. This has substantially alleviated students of the burden of ineffective assignments while improving learning results, greatly supporting the implementation of the “Double Reduction” policy.

3. A credible industrial brand and an extensive marketing and service system

In sectors relating to people’s livelihoods such as education and healthcare, iFLYTEK is widely recognized thanks to the brand credibility it has gained as a “national AI team”. For example:

- iFLYTEK is the only business to collaborate extensively with Beijing Normal University in the building of the Ministry of Education’s “Collaborative Innovation Center of Assessment for Basic Education Quality” and the NDRC’s “Model Project for the Research and Development and Application of Basic-Education Big Data”.
- iFLYTEK signed strategic collaboration agreement with the National Center for Educational Technology (NCET) and jointly released industry reports, such as the *Framework for the Development of Artificial-Intelligence Technology and Engineering at Primary and Middle Schools* and the *2021 Blue*

Book for the Development of Smart Education: Smart Technology-Empowered Educational Evaluation.

- Under the supervision of the State Language Commission, the Company has built and run a global Chinese-learning platform, which uses AI technology to provide Chinese learners worldwide with personalized Chinese-learning resources and tools.
- iFLYTEK signed a strategic collaboration agreement with the China Education Association for International Exchange (CEAIE) and jointly launched the AI Plus Education Expert Committee as its secretariat.
- iFLYTEK signed a strategic collaboration agreement with China Education Television (CETV) and founded a joint-venture company, the only such company that CETV has set up with a business in recent years.
- iFLYTEK co-organized the Global AI Education Summit with Beijing Normal University, the NCET and CEAIE. The Company also delivered a keynote report as the Chinese business representative at the International Conference on Artificial Intelligence and Big Data in Education (AIDE), which was organized by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and China's Ministry of Education, National Commission for UNESCO and the People's Government of Beijing.

In terms of healthcare:

- The iFLYTEK General Practice Medical Assistant was nominated as an outstanding achievement in 2021 by CAS's Artificial Intelligence Industry-University-Research Innovation Alliance.
- iFLYTEK Healthcare's AI primary CDSS technology was listed among the pioneering electronic-information technologies of the China Association for Science and Technology.
- The iFLYTEK program "Application of Smart-Voice Technology in Electronic Medical Records" won the "National AI Healthcare Innovation Award 2020" and "Clinical Application Innovation Award".
- iFLYTEK was selected as the best example of applying big data and AI to COVID-19 prevention and control by the Chinese Medical Association.
- iFLYTEK won the "Effective AI Empowerment during the Pandemic" award from the Science and Technology Department of the Ministry of Industry and Information.
- iFLYTEK was named as an outstanding example of pandemic-fighting AI-empowered medical equipment by the China Medical Equipment Artificial Intelligence Alliance.

With its years of business experience, iFLYTEK has developed an extensive marketing network that covers the entire country and has set up 23 regional marketing offices, covering every Chinese province. Furthermore, iFLYTEK has effectively reached key customer groups in 73% of China's over 2,800 districts and counties and signed strategic cooperation agreements with 82 prefecture-level cities in 13 provinces.

To provide customers with better services, iFLYTEK has been actively strengthening the management and building of its regional teams. The Company has developed an integrated sales and service system that fully integrates both the front- and back-end processes, so as to support the extensive and rapid launch and promotion of its products. Taking education for example, the Company has built an all-round system for both online and offline services; the localized-service team with more than 2,000 members provides extensive services and support. To date, iFLYTEK's service system has provided services to over 100 million teachers and students from 50,000 schools across China, covering 92% of prefecture-level cities and all second-tier and above cities.

IV. Analysis of Main Business

1. Overview

During the reporting period, iFLYTEK's core AI technology continued to make breakthroughs. Its fundamental business had taken root in key locations and its strategy to drive development with original technologies continued to generate desirable results. Meanwhile, the Company's business scale and efficiency were increasing as it strove not only to be one step ahead but to become a true leader in key fields. Generally, the Company made a good start during the first year of the 14th Five-Year Plan period.

The commitment to “being indomitable” and developing an industry driven by independent innovations: during the reporting period, iFLYTEK continued to lead the technological advancement in AI: At the global multilingual speech-recognition competition staged by NIST, the Company came top in 22 events involving 15 languages; the Company set the world record at its third Cityscapes competition; won the first prize of the Wu Wenjun Award for Artificial Intelligence Science & Technology Advancements; became the champion of three tracks at the IWSLT 2021 challenge; came top in the educational-cognition challenge staged by Neural Information Processing Systems; winning the highest award in China's intellectual property rights field: China's Golden Patent Award. In 2021, iFLYTEK won 10 authoritative international tests in the AI field and the title of a top Chinese science society. The honors have further strengthened the Company's technological foundations and advantages in areas such as education, healthcare and consumer products. Moreover, the honors helped the Company continue to develop the capability fundamental to its systematic innovation and ongoing development, as well as assisting the Company in boosting its credibility as an industrial and technological brand with a distinctive competitive edge.

The commitment to satisfying rigid social demands with fundamental business and creating value: during the reporting period, the Company's fundamental business continued to take root and grow in size. It accounted for over 50% of the Company's total revenues and set the local business standards with positive user dependency, long-term operational capacity, ongoing growth potential and leading industrial value. The Company has enjoyed an advantage in sustainable development by “tackling rigid demands and gaining generation-wide edges over others”.

Steady business development to achieve sustainable and rapid business growth: The Company generated an annual operating revenue of RMB18.3 billion in 2021, a year-on-year growth of 40.6%. Among all the listed A-share companies, iFLYTEK was the only one with a consecutive annual operating revenue growth rate that exceeded 25% over the last decade. The Company's base area business was also ushering in a period of extensive AI application. To facilitate swift business application and steadier development, the Company planned its operations and personnel assignment beforehand based on specific human-resources models, which saw its number of employees grew by 3,301 in 2021. Against such background, the Company generated a gross profit of RMB7.533 billion in 2021, a like-for-like growth of 28.2%. The net profit reached RMB1.556 billion for its shareholders, a year-on-year growth of 14.13%, and a net profit excluding non-recurring profits and losses RMB979 million, a year-on-year growth of 27.54%. While increased employees caused increased costs and adversely impacted profit growth during the period, they consolidated the foundation for enhanced future profitability of the Company, strengthened its role as an industry leader and guaranteed its sustainable development.

For specific development in the Company's main business in 2021, please see “Major Business of the Company during the Reporting Period”.

2. Revenues and Costs

(1) Revenue breakdown

Unit: RMB

Item	2021		2020		Increase/(decrease) YOY
	Amount	Contribution to operating revenue	Amount	Contribution to operating revenue	
Total operating revenue	18,313,605,605.92	100%	13,024,657,865.85	100%	40.61%
By industry					
I. Main business					
Software and information technology services	18,052,041,197.82	98.58%	12,820,661,073.57	98.44%	40.80%
Education and teaching services	224,217,683.51	1.22%	167,310,688.77	1.28%	34.01%
II. Other business	37,346,724.59	0.20%	36,686,103.51	0.28%	1.80%
By product					
I. Main business					
1. Education sector					
Education products and services	6,007,348,293.08	32.82%	4,019,222,681.95	30.86%	49.47%
Teaching services	224,217,683.51	1.22%	167,310,688.77	1.28%	34.01%
2. Smart city business					
Information engineering	2,850,900,426.27	15.57%	1,773,613,518.25	13.62%	60.74%
Digital government applications	1,204,462,203.07	6.58%	1,025,307,509.84	7.87%	17.47%
Smart administration and legal service applications	918,237,445.42	5.01%	1,038,090,006.86	7.97%	-11.55%
3. iFLYTEK Open Platform and consumer business					
iFLYTEK Open Platform	2,987,814,681.57	16.31%	1,920,794,562.91	14.75%	55.55%
Intelligent hardware	1,236,725,229.04	6.75%	873,228,157.56	6.70%	41.63%
Mobile Internet products and services	462,863,443.18	2.53%	285,960,859.66	2.20%	61.86%
4. Operators					
Operators related business	1,393,232,435.68	7.61%	1,098,888,765.96	8.44%	26.79%
5. Smart vehicles					

Intelligent networked vehicle services	449,414,135.30	2.45%	323,508,700.10	2.48%	38.92%
6. Smart healthcare					
Healthcare services	337,867,525.71	1.84%	312,680,410.23	2.40%	8.06%
7. Smart finance					
Smart financial products and solutions	196,729,251.86	1.07%	147,008,316.17	1.13%	33.82%
8. Others	6,446,127.64	0.04%	2,357,584.08	0.02%	173.42%

II. Other business	37,346,724.59	0.20%	36,686,103.51	0.28%	1.80%
By region					
I. Main business					
Eastern China	10,019,356,758.47	54.72%	7,091,116,668.21	54.44%	41.29%
Southern China	2,268,908,133.81	12.39%	2,139,581,799.40	16.43%	6.04%
Northern China	2,235,094,034.24	12.20%	1,190,129,582.47	9.14%	87.80%
Southwestern China	1,519,332,972.24	8.30%	1,120,951,071.15	8.61%	35.54%
Central China	1,268,649,617.07	6.93%	542,372,928.72	4.16%	133.91%
Northeastern China	473,166,919.48	2.58%	239,080,443.83	1.84%	97.91%
Northwestern China	434,512,177.19	2.37%	481,906,435.79	3.70%	-9.83%
Outside China	57,238,268.83	0.31%	182,832,832.77	1.40%	-68.69%
II. Other business					
Eastern China	37,346,724.59	0.20%	36,686,103.51	0.28%	1.80%
By sales model					
Operating Revenue	18,313,605,605.92	100.00%	13,024,657,865.85	100.00%	40.61%

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3: Industry Information Disclosure*.

Unit: RMB

	2021				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Operating Revenue	2,501,303,217.85	3,817,347,314.77	4,549,313,267.14	7,445,641,806.16	1,408,820,489.46	2,940,380,800.55	2,934,873,823.63	5,740,582,752.21
Net profit attributable to the listed company's shareholders	139,470,569.39	279,107,268.35	310,187,574.93	827,698,481.89	-131,445,229.01	389,634,438.91	296,070,808.70	809,529,598.13

Description of why the operations were seasonal (or cyclical) and the fluctuation risks

The education business and smart city business of the Company target mainly at public institutions such as schools and governments, as well as big enterprises. The project development has certain seasonal characteristics, e.g. planning and justification in the first half year, and implementation in the middle or latter half of a year. Judging from quarterly operations in the past two years, there is also the characteristic that the revenue is low in the first quarter is low but high in the fourth quarter.

(2) Industry, product, geographical location and sales model that contribute over 10% to the Company's operating revenue or profit

Applicable Not applicable

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3: Industry Information Disclosure*.

Unit: RMB

Item	Operating revenue	Operating costs	Gross profit margin	Increase/(decrease) of operating revenue YOY	Increase/(decrease) of operating costs YOY	Increase/(decrease) of gross margin YOY
By customers' industry						
Software and information technology services	18,052,041,197.82	10,572,274,760.86	41.43%	40.80%	51.12%	-4.00%
By product						
Education products and services	6,007,348,293.08	2,903,903,180.50	51.66%	49.47%	57.94%	-2.59%
Open Platform	2,987,814,681.57	2,354,106,352.73	21.21%	55.55%	61.43%	-2.87%
Information engineering	2,850,900,426.27	2,266,140,964.59	20.51%	60.74%	74.64%	-6.33%
By geographical location						
Eastern China	10,019,356,758.47	6,536,875,685.77	34.76%	41.29%	39.92%	0.64%
Southern China	2,268,908,133.81	1,134,009,333.72	50.02%	6.04%	35.68%	-10.92%
Northern China	2,235,094,034.24	896,885,460.54	59.87%	87.80%	60.44%	6.84%

In the event that the statistical caliber of the Company's main business data is adjusted during the reporting period, the Company's main business data for the most recent year was calculated with the adjusted caliber at the end of the reporting period

Applicable Not applicable

(3) Whether the Company's revenue from goods sold is higher than from service rendered?

Yes No

(4) Execution of the significant sales/procurement contracts signed by the Company up to the reporting period

□ Applicable √ Not applicable

(5) Breakdown of operating costs

Industry

Unit: RMB

Industry	Item	2021		2020		Increase/(decrease) YOY
		Amount	Percentage of operating costs	Amount	Percentage of operating costs	
Software and information technology services	Material cost	5,995,818,402.95	55.62%	3,775,549,842.58	52.82%	2.80%
Software and information technology services	Operating costs	3,424,059,399.99	31.76%	2,315,955,586.40	32.40%	-0.64%
Software and information technology services	Personnel outlays and outsourced labor	1,057,067,657.01	9.81%	850,758,062.35	11.90%	-2.09%
Teaching	Operating costs	299,758,728.31	2.78%	203,977,610.69	2.85%	-0.07%
Other business	Operating costs	3,644,276.79	0.03%	2,190,796.39	0.03%	0.00%
Total		10,780,348,465.05	100.00%	7,148,431,898.41	100.00%	0.00%

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3: Industry Information Disclosure*.

Costs of main business

Unit: RMB

Cost breakdown	For the reporting period		For the same period of last year		Increase/(decrease) YOY
	Amount	Percentage of operating costs	Amount	Percentage of operating costs	
Software and information technology services	5,983,839,149.32	55.57%	3,768,052,401.63	52.77%	2.80%
Software and information technology services	3,424,059,399.99	31.80%	2,315,955,586.40	32.43%	-0.63%
Software and information technology services	1,057,067,657.01	9.82%	850,758,062.35	11.91%	-2.09%

Teaching	299,758,728.31	2.78%	203,977,610.69	2.86%	-0.08%
Other business	3,644,276.79	0.03%	2,190,796.39	0.03%	0.00%
Total	10,768,369,211.42	100.00%	7,140,934,457.46	100.00%	0.00%

(6) Any changes in the scope of consolidated statement during the reporting period

Yes No

See "VII. Description of Any Changes in the Scope of Consolidated Statement over the 2020 Financial Report" in "Section VI Significant Events" herein for details.

(7) Any significant changes in or adjustments to the Company's business, products or services during the reporting period

Applicable Not applicable

(8) Major customers and suppliers

Major customers of the Company

Combined sales of the top five customers (RMB)	2,150,231,256.20
Percentage of combined sales of the top five customers in total annual sales	11.74%
Percentage of sales by related parties among the sales by the top five customers in total annual sales	3.69%

Information on the Company's top five customers

No.	Customer name	Sales (RMB)	Percentage of total annual sales
1	Customer 1	675,077,341.14	3.69%
2	Customer 2	423,919,910.10	2.31%
3	Customer 3	416,303,290.20	2.27%
4	Customer 4	347,230,526.10	1.90%
5	Customer 5	287,700,188.66	1.57%
Total	--	2,150,231,256.20	11.74%

Notes to other information on major customers

Applicable Not applicable

Among the Company's top five customers, Customer 1 was comprised of China Mobile Limited and its subsidiaries. This customer is an entity affiliated with the Company in accordance with Article 6.3.3 of the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange (2022 Revision)*.

Major suppliers of the Company

Combined purchases by the top five suppliers (RMB)	1,833,653,209.64
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Percentage of combined purchases by the top five suppliers in total annual purchases	24.73%
Percentage of purchases by related parties among the purchases by the top five suppliers in total annual purchases	0.00%

Information on the Company's top five suppliers

No.	Supplier name	Purchases (RMB)	Percentage of total annual purchases
1	Supplier 1	806,976,056.02	10.88%
2	Supplier 2	351,538,906.12	4.74%
3	Supplier 3	280,186,570.46	3.78%
4	Supplier 4	205,164,235.04	2.77%
5	Supplier 5	189,787,442.00	2.56%
Total	--	1,833,653,209.64	24.73%

Notes to other information on major suppliers

Applicable Not applicable

3. Expenses

Unit: RMB

Item	2021	2020	Increase/(decrease) YOY	Notes to major changes
Sales expenses	2,692,844,410.57	2,084,441,964.88	29.19%	
Administrative expenses	1,101,759,620.99	856,632,560.34	28.62%	
Financial expenses	-10,431,988.07	16,200,970.39	-164.39%	Mainly as a result of interest income increase.
Research and development (R&D) expenses	2,829,840,977.50	2,211,061,146.73	27.99%	
Income tax expenses	-114,030,689.84	14,852,434.38	-867.76%	Mainly as a result of deferred income tax decrease.

4. R&D inputs

Applicable Not applicable

The Company always places strategic importance on R&D. In a market-oriented way, it continues to refine the core technology, develops new products, upgrades the product structure, and enhances its core competitiveness across the board.

Inputs in R&D

Major R&D projects	Project purpose	Project progress	Objectives to be achieved	Expected influence on the Company's development in the future
Platform for Supporting Individualized Learning Handbook Resources	To provide AI technology, system support, teaching and research support, and resources for individualized learning in respect of teaching and learning	Development completed	To increase user satisfaction with delivered handbooks	To expand the market share of individualized learning handbook product and save delivery cost
iFLYTEK Learning Pad	An intelligent laptop to facilitate the learning of kindergarten to grade 12 (K12) students, which is based on the AI-powered, customized and targeted learning system	Development completed	To enhance the product's core competitiveness and increase user satisfaction, via such functions as AI-powered diagnosis of homework and test papers, and AI-powered Answering Pen	To increase the conversion rate of sales and expand the Company's share in the learning laptop market
Teaching and Test Platform	Based on the AI technology of iFLYTEK, to enable the closed-loop application in a full range of scenarios across teaching, learning, examination, assessment and management of English listening and speaking, provide a full package of solutions of English listening and speaking for education authorities, and help students improve their comprehensive ability of English listening, speaking, reading and writing	Development completed	To develop new products of AI-based Listening and Speaking in Classrooms to meet the needs of classroom teaching; integrate product users, resources, and business data to enhance product competitiveness; optimize product functions to respond quickly to external customers' needs and promote cost reduction and efficiency gain; optimize and upgrade the technical architecture to solidify the foundation and serve long-term business development	To expand the new applications of AI-based Listening and Speaking in Classrooms among K12 students and enrich the application scenarios across English teaching, learning, examination, assessment and management; integrate and connect the application scenarios of English teaching, learning, examination, assessment and management for unified management and operation; consolidate the foundation of English Teaching and Testing Platform to support the longer-term positive development of business
R&D of systematic teaching resources	To provide teachers with the digital teaching resources needed for lesson preparation and teaching	Under development	To provide a great variety of high-quality resources for lesson preparation and teaching with a wide coverage for higher lesson preparation and teaching efficiency of users and greater usage rate and satisfaction	To improve the influence of iFLYTEK's content, build iFLYTEK's resource brand, and help with the implementation of the strategy of teaching according to students' abilities

Consumer software and content development of iFLYTEK Learning Pad	To equip the intelligent education pads on offer with intelligent learning functions and resources across different periods of schooling and over all subjects	Under development	To continuously replenish and optimize software and content resources to improve user experience and satisfaction and sharpen product competitiveness	To improve the user satisfaction and reputation of the system products, increase sales conversion, and further expand the market share of the products on offer in the industry
Secondary School Homework	To explore the application value of teaching according to students' abilities by addressing multi-project needs	Development completed	To refine and optimize the usability of the frequently-used core functions of homework products, complete the upgrade of the old homework platform, and improve the competitiveness of the products	To develop a solution for individualized learning that integrates all the main processes and scenarios of daily teaching, explore, develop and successfully implement the "one, two, one" homework model, which has become a featured homework model of iFLYTEK after the policy of easing the burden of excessive homework and off-campus tutoring for students undergoing compulsory education (the "double reduction" policy) was introduced
Aixue Services Platform	To provide individualized training methods and tools for K12 users in the hope of improving their learning awareness and effectiveness while reducing the burden of studies on them	Development completed	To boost users' learning efficiency through continuous innovation and iteration of the product's education concept	To drive up the awareness and technology of the education industry, and work for higher intelligence in the smart education industry
AI-powered innovative education products	To provide K12 students with AI-featured technological innovation education, and improve teachers' and students' information technology (IT) literacy and innovation and creativity	Under development	To work for regular use at schools through optimization and iteration of products and development of new products	To develop products specific to different teaching application scenarios for market breakthrough and formation of a sales model
iFLYTEK Open Platform	To continuously release and launch the latest capabilities and solutions of AI products, and improve the platform ecosystem and the functions of commercialized system	Development completed	To develop an industry-leading platform for AI ecosystem, and maintain the largest market share among developers	To enhance influence in the AI industry and core technological prowess of AI, and help iFLYTEK establish No. 1 AI brand
iFLYTEK AI-powered Input	To complete the AI Helper function of the input method,		To further expand the user base, and achieve a	To deepen the value created by the input method to users, and

Method	support the keyboard's multilingual function such as Japanese and Korean, and complete the development and adaptation of Harmony input method; and lead peers in terms of Pinyin and speech effect	Under development	break-even of the project under various profit-making models by making the most of the users of the input method	continue to consolidate the brand influence of iFLYTEK among the general public
Open, Cloud-based Natural Human-Machine Interaction (HMI) System Oriented to IoT—Platform	To develop a variety of core HMI technologies. To complete the adaptation of the Chinese HMI system to localized operating systems and chip platforms, and build a localized multi-modal HMI algorithm platform that supports Chinese and English interaction	Under development	To break barriers and develop a homegrown English HMI system, and achieve localized production.	To meet the daily needs of natural HMI in English and Chinese, and empower the Company's support for China's home appliance and mobile phone producers to export overseas and the intelligent manufacturing industry to expand in the global market
Open, Cloud-based Natural HMI System Oriented to IoT—One-stop Marketing Cloud Platform	To work on the R&D of the real-time interaction system on the cloud characterized by high concurrency, great stability, and big flexibility, develop homegrown intelligent devices based on localized operating systems, and provide flexible and easily accessible integration solutions	Under development	To address the risk of a disruption to supply because the deployment of China's HMI systems relies on foreign equipment, realize the adaptation of domestic operating systems and chip platforms, and put in place a Chinese and English HMI system	To address the adaptation of speech-related core technology involved in the cloud-based HMI system on the localized chip platforms, including Cambricon and Zhaoxin, realize the localization of the cloud-based system, and help the Company secure a place in the capability adaptation of the localized platforms
Open, Cloud-based Natural HMI System Oriented to IoT—Advertising Transactions Platform	To provide visualized operations of function development, device access and service access for smart device manufacturers in IoT industry, and meet the needs of IoT manufacturers to develop natural language understanding models in vertical fields and develop personalized HMI	Under development	To shore up the weakness of localized terminal device systems and platforms that they are not empowered by core technology, allow the HMI system to support localized terminal platforms, and improve the application foundation of localized platforms	To adapt terminal acoustic algorithms and access protocols on the localized operating systems and Hisilicon chip platform, and support calls of localized terminals on platforms
Intelligent Habitat All-scenario AI-powered Middle office System for	To develop the intelligent habitat AI middle office and data analysis platform and the all-scenario intelligent habitat	Under development	To provide customers with platform-level AI capability clusters, provide customers with integrated solutions for	To provide whole-chain services ranging from support with core technology and establishment of ecosystem partnerships to

Digitalization of Real Estate Developers	operating system		entry-level smart hardware development, and help real estate developers with technological transformation and business upgrade	marketing empowerment under the business scenario of product digitization in the real estate industry
iFLYTEK Voice Cloud Data Platform	To build data analysis and marketing platforms, and put in place a closed-loop marketing platform from data collection, data analysis, and marketing to retrospective effect optimization by leveraging the strength of iFLYTEK in big data and tapping the value of data To provide users with a one-stop analysis of marketing data platform, while providing strong support for deep exploitation of the value of big data in marketing	Under development	To develop a perfect big data-based marketing platform for large financial institutions and large retailers nationwide to enable such product functions as sound operations management and data analysis, data automation and custom analysis	To develop the big data-based marketing platform and services of iFLYTEK and help customers succeed by leveraging the technical and product advantages of iFLYTEK in AI, intelligent speech interaction, natural language processing, big data and data analysis and mining
AI Virtual Human Services Platform	To complete the development of the Virtual Human Services Platform, work on higher digitalization and intelligence of corporate business under the virtual human service scenario, provide customers in selected industries with software interface services, standardized products, standardized and customized services of software and hardware all-in-one machine	Under development	To utilize AI virtual human for better digitalization and intelligent application of industry customers' business, improve service efficiency and experience, and reduce service cost	To enhance the market competitiveness of AI virtual human, establish AI virtual human brand, and work for launch of a series of application products and ecosystem cooperation
Cool Ringtones	To conduct R&D of the ringtone products and services platform boasting core competitiveness to improve user experience, while exploring new business directions	Under development	To continuously ensure the stability and growth of revenue from the ringtone business, improve the user experience of Cool Ringtones related products, and complete the exploration of new profit-making model and business transformation	To continue to meet user needs, create the best experience for users, and further expand market share

AI TV Helper	To provide speech and related AI capability support for operators	Under development	To improve the user experience of the products and user activation	To expand market share among operators and reduce business operation costs
Hotel AI Phone Keeper SaaS Platform	To complete the development and launch of Hotel AI Phone Keeper, so as to help hotel staff handle a large number of process-related, simple and repetitive tasks, easing their workload and helping hotels save manpower	Development completed	To provide hotel operators with AI phone keeper SaaS platform rental service, which can be customized to answer general phone calls	To develop a set of intelligent customer service system for hotels, support the access of a variety of terminal devices and applications, support the development of multiple business processes, and enhance competitiveness in the hotel market

R&D staff

	2021	2020	Change (%)
Number of R&D staff	8,367	6,461	29.50%
Percentage	58.48%	58.70%	-0.22%
Education background	—	—	—
Age composition	—	—	—

Inputs in R&D

Item	2021	2020	Change (%)
Amount of R&D inputs (RMB)	2,935,836,674.77	2,416,243,833.83	21.50%
Percentage of R&D inputs to operating revenue	16.03%	18.55%	-2.52%
Capitalized R&D inputs (RMB)	1,129,996,985.31	1,032,742,430.63	9.42%
Percentage of capitalized R&D inputs to R&D inputs	38.49%	42.74%	-4.25%

Reason for a significant change in the percentage of total inputs in R&D in operating revenue over last year

Applicable Not applicable

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3: Industry Information Disclosure*.

Unit: RMB

Major R&D projects	Capitalized amount of R&D	Project purpose	Project progress
iFLYTEK Open Platform	68,469,151.98	To continuously release and launch the latest capabilities and solutions of AI products, and improve the platform ecosystem and the functions of commercialized system	Development completed
iFLYTEK AI-powered Input Method	52,821,567.91	To complete the AI Helper function of the input method, support the keyboard's multilingual function such as Japanese and	Under development

		Korean, and complete the development and adaptation of Harmony input method; and lead peers in terms of Pinyin and speech effect	
iFLYTEK Learning Pad	45,500,278.21	An intelligent laptop to facilitate the learning of kindergarten to grade 12 (K12) students, which is based on the AI-powered, customized and targeted learning system	Development completed
Open, Cloud-based Natural Human-Machine Interaction (HMI) System Oriented to IoT—Platform	26,318,335.47	Through endeavors in the English HMI field, to work on the R&D of many core technologies on HMI, e.g. wake-on-English voice, English speech recognition, English semantic understanding, and English speech synthesis To complete the adaptation of the Chinese HMI system to localized operating systems and chip platforms, and build a localized multi-modal HMI algorithm platform that supports Chinese and English interaction	Under development
Open, Cloud-based Natural HMI System Oriented to IoT—One-stop Marketing Cloud Platform	20,676,222.95	To work on the R&D of the real-time interaction system on the cloud characterized by high concurrency, great stability, and big flexibility, and deploy it in many computer rooms at home and abroad for synchronization. To develop homegrown intelligent devices based on localized operating systems, and provide flexible and easily accessible integration solutions	Under development
Open, Cloud-based Natural HMI System Oriented to IoT—Advertising Transactions Platform	20,067,376.03	To develop open HMI platform, and provide the visualized operations of skill development, device access and service access for smart device manufacturers in IoT industry	Under development
AI TV Helper	17,279,019.40	To provide speech and related AI capability support for operators, with a focus on optimizing the product experience, for better hardware sales, internal support and industry-leading on the basis of ensuring the innovation of functions and basic operations	Under development
Consumer software and content development of iFLYTEK Learning Pad	16,556,380.44	To equip the intelligent education pads on offer with intelligent learning functions and resources across different periods of schooling and over all subjects	Under development
Intelligent Habitat All-scenario AI-powered Middle office System for Digitalization of Real Estate Developers	16,467,843.54	To develop the intelligent habitat AI middle office and data analysis platform and the all-scenario intelligent habitat operating system	Under development
R&D of systematic teaching resources	15,986,616.93	To provide teachers with the digital teaching resources needed for lesson preparation and teaching	Under development
iFLYTEK Voice Cloud Data Platform	14,906,019.19	To build data analysis and marketing platforms, and put in place a closed-loop marketing platform from data collection, data analysis, and marketing to retrospective effect optimization by	Under development

		leveraging the strength of iFLYTEK in big data and tapping the value of data. To provide users with a one-stop analysis of marketing data platform, while providing strong support for deep exploitation of the value of big data in marketing	
Hotel AI Phone Keeper SaaS Platform	14,712,988.66	To complete the development and launch of Hotel AI Phone Keeper, so as to help hotel staff handle a large number of process-related, simple and repetitive tasks, easing their workload and helping hotels save manpower	Development completed
Platform for Supporting Individualized Learning Handbook Resources	13,824,878.90	To provide AI technology, system support, teaching research support, and resources for individualized learning in respect of teaching and learning	Development completed
AI Virtual Human Services Platform	13,760,108.33	To complete the development of the Virtual Human Services Platform, work on higher digitalization and intelligence of corporate business under the virtual human service scenario, provide financial, media, governmental and corporate customers with software interface services, standardized products, standardized and customized services of software and hardware all-in-one machine	Under development
Secondary School Homework	12,771,081.32	To refine and optimize usability of the frequently-used core functions of homework products, complete the upgrade of the old homework platform, synchronously address the market needs of multiple projects, and explore the application value of teaching according to students' abilities	Development completed
Aixue Services Platform	12,744,136.14	Targeting at K12 users, the project, with localized high-quality subject resources and other infrastructures, customizes diagnosis and learning solutions, to help students devise a reasonable learning path and learn more efficiently under a lesser burden of studies	Under development
AI-powered innovative education products	10,943,531.90	To provide K12 students with AI-featured technological innovation education, and improve teachers' and students' information technology (IT) literacy and innovation and creativity	Under development
Cool Ringtones	10,817,999.30	Leveraging the Company's core technology, to conduct R&D of the ringtone products and services platform boasting core competitiveness to improve user experience, while exploring new business directions	Under development
Teaching and Test Platform	10,597,877.40	Based on the AI technology of iFLYTEK, to enable the closed-loop application in a full range of scenarios across teaching, learning, examination, assessment and management of English listening and speaking, provide a full package of solutions of English listening and speaking for education authorities, and help students improve their comprehensive ability of English listening, speaking, reading and writing	Development completed

1. The capitalization of the Company's R&D inputs is subject to the following recognition conditions:

(1) It is technically feasible to develop the intangible asset so that it may be used or sold;

(2) The Company intends to complete the development of the intangible asset, to use or to sell it;

(3) The way in which the intangible asset generates economic benefits, including the ability to prove that the products produced using the intangible asset have market or the intangible assets themselves have market, and the intangible asset will be used internally, can prove the usefulness;

(4) The Company has adequate technological, financial and other resources to support the completion of the intangible asset development and is able to use or sell the intangible asset; and

(5) Expenditure attributable to development phase of the intangible asset can be reliably measured.

2. Related internal controls and their implementation

(1) Project initiation

After the project manager submits the project initiation application, the project management office will organize all parties to review. Then, the middle-level managers and senior managers, as well as EMT managers, president and chairman of the Group will make final approval according to the nature of the project and the budget amount. The internal control design in this step ensures that the R&D project has been fully and scientifically demonstrated and effectively approved by the management.

(2) Project change

The project manager submits the change application, and the project management office organizes all parties to review it. After the review is passed, the middle-level managers, senior managers in charge and EMT managers of the group will make final approval according to the nature of the project and the budget amount. The internal control design in this step ensures that the change in the R&D project is reasonable and has been effectively approved by the management.

(3) Project closing

The project manager submits the project closing application, and the budget manager submits it to the project management office for closing review after budget review, to evaluate whether the related indicators have been completed, the expected results been achieved, and secondary R&D is needed, etc. If the project passes the above-mentioned review, it will be submitted to the head of the business unit for approval, and to the middle-level managers and senior managers in charge for approval according to the nature of the project and the budget amount. The internal control design in this step ensures that the closing of the R&D project has been effectively evaluated on an independent basis and approved by the management.

Reasons for the significant change in capitalization rate of R&D inputs and its reasonableness

Applicable Not applicable

5. Cash flow

Unit: RMB

Item	2021	2020	Increase/(decrease) over the same period of last year
Subtotal of cash inflows from operating activities	18,622,185,224.19	13,779,556,349.60	35.14%
Subtotal of cash outflows from operating activities	17,729,109,792.88	11,508,801,493.66	54.05%

Net cash flows from operating activities	893,075,431.31	2,270,754,855.94	-60.67%
Subtotal of cash inflows from investing activities	248,647,456.34	1,086,124,653.16	-77.11%
Subtotal of cash outflows from investing activities	2,827,942,108.44	1,821,413,476.56	55.26%
Net cash flows from investing activities	-2,579,294,652.10	-735,288,823.40	250.79%
Subtotal of cash inflows from financing activities	4,094,224,490.83	1,890,469,448.88	116.57%
Subtotal of cash outflows from financing activities	1,715,438,704.56	1,985,647,298.18	-13.61%
Net cash flows from financing activities	2,378,785,786.27	-95,177,849.30	2599.31%
Net increase in cash and cash equivalents	686,911,857.43	1,437,257,416.50	-52.21%

Explanation on major factors causing significant year-on-year changes in relevant data

Applicable Not applicable

(1) The net cash flows from the Company's operating activities decreased by 60.67% in 2021 over 2020, mainly due to the increase in cash for purchasing goods and receiving labor services.

(2) The net cash flows from the Company's investment activities increased by 250.79% in 2021 over 2020, which was mainly due to the larger amount of cash received by the Company in the previous year from the purchase of structured deposits at maturity and the disposal of fixed assets, and the increase in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets during this period.

(3) The net cash flows from the Company's financing activities increased by 2599.31% in 2021 over 2020, mainly due to the increase in the amount of funds received by the Company from non-public offerings this year.

Reason for the significant difference between the net cash flows from the Company's operating activities during the reporting period and the net profit for the year

Applicable Not applicable

V. Analysis of Non-main Business

Applicable Not applicable

VI. Analysis of Balance Sheet

1. Major Changes in Assets Composition

Unit: RMB

Item	At the end of 2021	At the beginning of 2021	Increase/(decrease)
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	Amount	Percentage of total assets	Amount	Percentage of total assets	in percentage
Cash and cash equivalents	5,869,934,498.97	18.70%	5,350,027,393.05	21.24%	-2.54%
Accounts receivable	7,485,907,223.92	23.84%	5,467,912,568.95	21.71%	2.13%
Inventories	2,433,958,499.25	7.75%	2,378,935,699.96	9.45%	-1.70%
Contract assets	872,957,868.27	2.78%	480,185,851.21	1.91%	0.87%
Other current assets	785,233,724.05	2.50%	103,969,197.98	0.41%	2.09%
Long-term receivables	1,349,656,441.96	4.30%	1,007,891,262.92	4.00%	0.30%
Long-term equity investments	717,774,229.09	2.29%	567,091,669.89	2.25%	0.04%
Other non-current financial assets	1,303,033,663.76	4.15%	1,082,191,506.46	4.30%	-0.15%
Investment properties	186,138,183.59	0.59%	233,699,917.01	0.93%	-0.34%
Fixed assets	2,522,658,852.39	8.04%	1,839,011,067.38	7.30%	0.74%
Constructions in progress	286,774,067.37	0.91%	267,414,007.21	1.06%	-0.15%
Right-of-use assets	442,630,344.44	1.41%	349,065,196.20	1.39%	0.02%
Intangible assets	2,391,889,408.30	7.62%	1,908,355,236.54	7.58%	0.04%
Development expenditure	795,676,085.67	2.53%	1,087,369,464.44	4.32%	-1.79%
Goodwill	1,126,453,239.15	3.59%	1,110,918,321.27	4.41%	-0.82%
Deferred income tax assets	1,106,670,124.28	3.53%	610,707,150.69	2.42%	1.11%
Short-term borrowings	525,433,319.10	1.67%	642,621,532.44	2.55%	-0.88%
Bill payable	2,525,673,609.38	8.05%	2,405,992,623.78	9.55%	-1.50%
Accounts payable	3,852,801,201.35	12.27%	2,828,498,890.65	11.23%	1.04%
Contract liabilities	1,385,477,240.76	4.41%	1,668,203,863.02	6.62%	-2.21%
Other payables	1,594,961,432.44	5.08%	1,200,826,071.66	4.77%	0.31%
Long-term borrowings	392,039,217.02	1.25%	82,474,789.20	0.33%	0.92%
Lease liabilities	350,883,846.25	1.12%	286,049,331.00	1.14%	-0.02%
Provision	789,771,420.91	2.52%	702,985,683.55	2.79%	-0.27%

High percentage of overseas assets

Applicable Not applicable

2. Assets and liabilities measured at fair value

Applicable Not applicable

Unit: RMB

Item	Beginning balance	Profit or loss on changes in fair value during the period	Accumulative fair value changes recorded into equity	Impairment provision set aside during the period	Purchased during the period	Sold during the period	Other decreases	Closing balance
Financial assets								
1. Financial assets held for trading (excluding derivative financial assets)	1,082,191,506.46	331,410,437.96			7,545,000.00	115,176,448.36	2,936,832.30	1,303,033,663.76
Sub-total of financial assets	1,082,191,506.46	331,410,437.96			7,545,000.00	115,176,448.36	2,936,832.30	1,303,033,663.76
Total	1,082,191,506.46	331,410,437.96			7,545,000.00	115,176,448.36	2,936,832.30	1,303,033,663.76

Other changes

The investment of RMB10.5 million in Anhui Imaging Union Co., Ltd. was included in long-term equity investments for accounting.

Any significant change in the measurement attributes of the Company's major assets during the reporting period

Yes No

3. Restrictions upon assets rights as of the end of the reporting period

Item	Carrying amount on 31 December 2021	Reason for restriction
Cash and cash equivalents	325,818,033.49	Margins for banker's acceptance bills and letters of guarantee
Bill receivable	116,083,627.22	Pledged for the Group's bills pool business
Intangible assets	292,829,358.04	Mortgage loan
Total	734,731,018.75	—

VII. Investment Analysis

1. Overview

Applicable Not applicable

Amount of investments during the reporting period (RMB)	Amount of investments during the same period of last year (RMB)	Change (%)
190,575,000.00	261,043,090.43	-26.99%

2. Significant equity investments received during the reporting period

Applicable Not applicable

3. Significant non-equity investments under way during the reporting period

Applicable Not applicable

4. Investments in financial assets

(1) Investments in securities

Applicable Not applicable

Unit: RMB

types	code	name	Initial investment cost	Accounting measurement model	Book value at period beginning	Profit or loss on changes in fair value during the period	Accumulative fair value changes recorded into equity	Purchased during the period	Sold during the period	Profit or loss during the reporting period	Book value at period end	Accounting item	Source of fund
Chinese and foreign stocks	605168	Bren	9,180,000.00	Fair value measurement	199,938,375.00	172,684,575.00				172,684,575.00	372,622,950.00	Other non-current financial assets	Own capital
Chinese and foreign stocks	688256	Cambricon	10,000,000.00	Fair value measurement	313,283,635.89	92,674,584.21				92,674,584.21	405,958,220.10	Other non-current financial assets	Own capital
Chinese and foreign stocks	H00020	Sensetime-W	2,867,255.08	Fair value measurement	33,788,707.81	38,160,092.19				38,160,092.19	71,948,800.00	Other non-current financial assets	Own capital
Other investment securities held at period end				--								--	--
			22,047,255	--	547,010,71	303,519,	0.00	0.00	0.00	303,519,	850,52	--	--

Total	.08		8.70	251.40				251.40	9,970.10		
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(2) Investments in derivatives

Applicable Not applicable

The Company did not invest in derivatives during the reporting period.

5. Use of proceeds from fundraising activities

Applicable Not applicable

(1) Overview of the use

Applicable Not applicable

Unit: RMB10,000

Fund-raising year	Fund-raising method	Total raised funds	Use of raised funds during the period	Accumulated use of raised funds	Raised funds with a change in investment purpose during the reporting period	Add-up of raised funds with a change in investment purpose	Percentage of add-up of raised funds with a change in investment purpose (%)	Raised funds not used yet	Purpose and direction of the raised funds not used yet	Raised funds in idle for over two years
2019	Private offering	286,185.18	0	286,185.18	0	0	0.00%	0	--	0
2021	Private offering	253,676.99	253,676.99	253,676.99	0	0	0.00%	0	--	0
Total	--	539,862.17	253,676.99	539,862.17	0	0	0.00%	0		0

Notes to the use of raised funds

1. Stocks privately issued in 2019:

Upon approval by China Securities Regulatory Commission in its Z.J.F.X.Z. [2019] No. 517 Document, the Company made a private issuance of 108,000,000 RMB-denominated ordinary shares (A shares) at a price of RMB27.10 per share in July 2019. According to the *Capital Verification Report* (R.C.Y.Z. [2019] No. 6464) issued by RSM Certified Public Accountants (Special General Partnership), the total amount of fund to be raised was RMB2,926.8 million, and the net amount of fund actually raised after deduction of issuing expenses was RMB2,861.8518 million. The said raised fund has become fully available on 5 July 2019, and put by the Company into a special account for management.

As per the implementation program of the projects for raising funds from non-public offering of stocks in 2019, as of 31 December 2020, all these projects have been closed, cumulatively utilizing the raised money of RMB2,490.6871 million. The raised funds not utilized yet amounted to RMB371.1647 million. With respect to the portion not utilized, upon review by the 12th Meeting of the Fifth Board of Directors and the Eighth Meeting of the Fifth Board of Supervisors both held on 18 April 2021, as well as the

Annual General Meeting for 2020 held on 10 May 2021, the surplus raised funds of RMB427.6347 million (the actual amount was subject to the balance of the said account of raised funds on the day of transfer into the own capital account. It was RMB428.854 million) were used to permanently replenish the working capital and finance the Company's day-to-day production and business activities (the difference between the amount of the surplus raised funds and that of raised funds not utilized was mainly caused by the proceeds from cash management and interest income from banks). In the meanwhile, the Company has canceled all the special accounts of raised funds, while the escrow agreements in respect of the special accounts of raised funds signed by and between the Company and its subsidiaries and the sponsors and commercial banks depositing the raised funds been terminated as well.

2. Stocks privately issued in 2021:

Upon approval by China Securities Regulatory Commission in its Z.J.X.K.[2021] No. 1769 Document, the Company made a private issuance of 76,393,048 RMB-denominated ordinary shares (A shares) at a price of RMB33.38 per share in July 2021. According to the *Capital Verification Report* (R.C.Y.Z. [2021] No. 230Z0152) issued by RSM Certified Public Accountants (Special General Partnership), the total amount of fund raised was RMB2,549.9999 million, and the net amount of fund actually raised after deduction of issuing expenses was RMB2,536.7699 million. The said raised fund has become fully available on 7 July 2021, and put by the Company into a special account for management.

In line with the raised fund utilization plan, the Company has used the total net amount of raised fund after deduction of fees to the intermediaries and other related expenses to supplement the working capital. The raised fund has been used as planned. In the meanwhile, the Company has canceled all the special accounts of raised funds, while the escrow agreements in respect of the special accounts of raised funds signed by and between the Company and its subsidiaries and the sponsors and commercial banks depositing the raised funds been terminated as well.

(2) Projects committed for the raised funds

√ Applicable □ Not applicable

Unit: RMB10,000

Investment projects committed and destination of the funds raised above the quota	Projects changed (partially changed) (yes/no)	Total commitment amount of investments with the raised funds	Total investment amount after adjustments (1)	Amount invested during the reporting period	Accumulated amount invested at the period end (2)	Progress of investment at the period end (3)= (2)/(1)	Date of the project reaching the intended use	Benefits realized during the reporting period	Expected benefits met (yes/no)	Material change in project feasibility (yes/no)
Investment projects committed										
Next-generation Core Sensing & Cognitive Technology R&D Project	No	55,000	55,000	0	55,514.6	100.94%			Not applicable	No

Intelligent Speech AI-powered Open Platform Project	No	90,198	90,198	0	59,725.38	66.22%	01 January 2021	314,648.56	Yes	No
Intelligent Service Robotics Platform and Application Product Project	No	44,637.18	44,637.18	0	42,946.37	96.21%	01 January 2021	81,230.92	Yes	No
Sale and Service System Upgrade Project	No	44,000	44,000	0	38,413.3	87.30%			Not applicable	No
Replenishing working capital	No	52,350	52,350	0	52,469.06	100.23%			Not applicable	No
Subtotal of investment projects committed	--	286,185.18	286,185.18	0	249,068.71	--	--	395,879.48	--	--
Total	--	286,185.18	286,185.18	0	249,068.71	--	--	395,879.48	--	--
Fact and reason of failure to meet the expected progress or expected benefits (by project)	Not applicable									
Explanation of material changes in	Not applicable									

project feasibility	
Amount, purpose and progress in use of the funds raised above quota	Not applicable
Change in the location of implementing the project invested with the raised funds	Not applicable
Change in the method of implementing the project invested with the raised funds	Not applicable
Advance investment in the investment projects and replacement	<p>Applicable</p> <p>The Company invested with self-raised money in the investment projects of raised funds in view of the actual project progress before the funds raised from private offerings of stocks were made available, for the purpose of ensuring the smooth implementation of the projects of raising funds from private stock offerings in 2019. It then replaced the self-raised money with the raised funds according to the applicable rules. RSM Certified Public Accountants (Special General Partnership) conducted a special review of the Company's advance investment in the investment projects with self-raised money as of 31 July 2019, and issued the <i>Assurance Report on Use of Self-raised Money by iFLYTEK Co., Ltd. in Advance Investment in the Investment Projects with Raised Funds</i> (K.Z.Zi. [2019] No. 7135). When the raised funds were readily available, the Company replaced the self-raised funds previously invested in the projects in RMB516.1003 million with the raised funds in equal amount.</p>
Extraordin	

ary replenishm ent of working capital with idle raised funds	Not applicable
Amount of the balance of raised funds after project implement ation and why there is a balance	<p>Applicable</p> <p>An investment of RMB901.98 million was committed to the Intelligent Speech AI-powered Open Platform Project, but the actual investment was RMB597.2538 million, leading to a difference of RMB304.7262 million. An investment of RMB446.3718 million was committed to the Intelligent Service Robotics Platform and Application Product Project, but the actual investment was RMB429.4637 million, leading to a difference of RMB16.9081 million. An investment of RMB440 million was committed to the Sale and Service System Upgrade Project, but the actual investment was RMB384.133 million, leading to a difference of RMB55.867 million. The difference was mainly owing to the following facts: First, the market environment changed during implementation of the fund-raising projects. Some expenditure items were thus adjusted on the premise of guaranteeing the project quality; second, the Company acted strictly upon the rules on use of raised funds, and used the money prudently on the principles of reasonableness, effectiveness and frugality. This helped to better control the spending and saved the money.</p>
Purpose and direction of the raised funds not used yet	<p>Applicable</p> <p>The Company held the 12th Meeting of the Fifth Board of Directors and the Eighth Meeting of the Fifth Board of Supervisors on 18 April 2021, as well as the Annual General Meeting for 2020 on 10 May 2021, which reviewed and approved the <i>Proposal on the Closing of Fund-raising Projects and Permanent Replenishment of the Working Capital with the Surplus</i>. Given the fact that all the projects for raising funds from non-public offering of stocks in 2019 have been closed as planned, it was approved that the Company could spend the surplus raised funds of RMB427.6347 million (including interest income and proceeds from cash management) in permanently replenishing the working capital (the actual amount was subject to the balance of the said account of raised funds on the day of transfer into the own capital account. It was RMB428.854 million) for the purpose of bringing the fund use efficiency to the fullest. Please see the <i>Announcement on the Closing of Fund-raising Projects and Permanent Replenishment of the Working Capital with the Surplus</i> dated 20 April 2021 for details. The Company has transferred all the surplus money (including interest income) in the said accounts of raised funds into its general settlement accounts for permanent replenishment of the working capital.</p> <p>As of 8 July 2021, the Company has gone through all the procedures of canceling the special accounts of raised funds, and terminated the relevant <i>Tripartite Escrow Agreement of Raised Funds</i> and the <i>Quadripartite Escrow Agreement of Raised Funds</i>. Please see the <i>Announcement on the Cancellation of Special Accounts of Funds Raised from Non-public Offering of Stocks in 2019</i> dated 8 July 2021 for details.</p>
Problems in use and disclosure of the raised funds or	Not applicable

other notes	
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(3) Change in projects using the raised funds

Applicable Not applicable

No raised fund changed its relevant project during the reporting period.

VIII. Significant Asset and Share Sales

1. Significant asset sales

Applicable Not applicable

The Company did not sell significant assets during the reporting period.

2. Significant share sales

Applicable Not applicable

IX. Analysis of Major Controlled or Equity-participating Companies

Applicable Not applicable

Major subsidiaries and equity-participating companies influencing the Company's net profit by more than 10%

Unit: RMB

Company name	Type	Principal business	Registered capital	Total assets	Net assets	Operating revenue	Operating profit	Net profit
iFLYTEK Intelligent System Co., Ltd.	Subsidiary	Education, software development, and information engineering	406,000,000.	8,619,742,404.83	2,181,191,335.98	5,254,255,798.35	220,194,964.97	279,072,478.16
iFLYTEK South China Co., Ltd.	Subsidiary	Software development	150,000,000.	2,376,188,612.31	1,508,484,422.80	687,020,365.15	289,815,731.64	267,802,186.91
Anhui Zhixue Technology Co., Ltd.	Subsidiary	Software development	100,000,000.	864,104,279.73	598,516,641.03	736,536,323.86	215,135,053.65	193,443,695.86

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

Company name	Method of acquisition and disposal of subsidiaries during the reporting period	Influence on overall production and operation and performance

Anhui iFLYTEK Zhiyue Technology Co., Ltd.	Loss of control	5,317,431.48
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X. Structured Entities Controlled by the Company

Applicable Not applicable

XI. Outlook for the Company's Future Development

i. Future development plan

Mission and vision statement

iFLYTEK has the mission of "empowering machine to listen and speak and to understand and think, creating a better world with artificial intelligence". All the employees are working hard toward the well-defined vision and clear indicators which are founded on the mission. When breaking the RMB2.5 billion mark in 2015 operating revenue, the Company made public its "near-, mid-, and long-term vision" on 8 August 2016. Near term: become a leader in the speech industry and a pioneer in the AI industry, and increase operating revenue to RMB10 billion and market capitalization to RMB100 billion; mid-term: to become a leader in China's AI industry and a builder of the industry's ecosystem, connecting one billion users and realizing RMB100 billion in operating revenue; long-term: become a leader in the global AI industry and a great enterprise that creates a better world with AI.

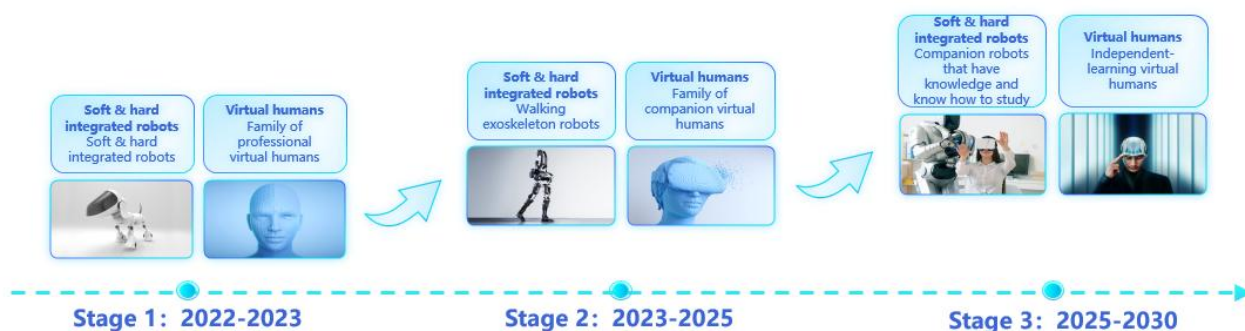
The near-term vision of "becoming a leader in the speech industry and a pioneer in the AI industry, and increasing operating revenue to RMB10 billion and market capitalization to RMB100 billion" has successfully come true in 2019; on this basis, in 2021, the first year of the 14th Five-Year Plan period, the Company made clear the goal of "AI 2.0", striving to "become a leader in China's AI industry, connecting one billion users and realizing RMB100 billion in operating revenue and RMB1 trillion in ecosystem" during the 14th Five-Year Plan period. The Company is currently progressing toward this goal smoothly. At the beginning of 2022, the Company officially released the "iFLYTEK Super Brain 2030 Program", as a move to the long-term vision of "becoming a leader in the global AI industry".

The iFLYTEK Super Brain 2030 Program will guide the path for the Company's medium- and long-term technological advancement and product development, and shape a cognitive intelligence based complex intelligent system with human-machine collaboration and self-evolution. That is, empower machine to surpass humans in perception, have a deep understanding of knowledge in a specific field, and continuously evolve on an independent basis; empower machine to perceive people and the environment in all aspects, learn all kinds of knowledge, have general knowledge and emotion, move flexibly, and express in multiple dimensions, thus creating a complex intelligent system with sustainable and independent evolution, and introducing companion robots into households to benefit people's lives.

Timetable for and milestones of the Company's long-term vision

The Company makes an objective and clear vision, with a specified timetable and regularly updated milestones. Three milestones have been set for the iFLYTEK Super Brain 2030 Program: in the first stage (2022-2023), the Company will launch robots that integrate software and hardware, such as interactive companion pets and bionic robot dogs with motion, as well as the family of professional virtual humans to serve as teachers and doctors, etc.; in the second stage (2023-2025), the Company will launch walking exoskeleton robots and the family of companion virtual humans. The elderly can walk and exercise normally with the exoskeleton robot. In the meanwhile, the Company will launch a depression screening platform for teenagers; in the third stage

(2025-2030), the Company will roll out companion robots that have knowledge and know how to study and the family of independent-learning virtual humans for families.



Path for realizing the Company's vision

Thanks to development in the past 20-plus years, iFLYTEK has extended its technological footprint from speech to a majority of AI research fields. As an industry leader in voice, image, natural language understanding, machines' cognitive and reasoning ability, and multi-lingual, multi-modal HMI, the Company is working on deep integration of key technologies across the innovation chains and introduction of a full set of chains for unhindered product launch and application to figure out major social issues and rigid social demands in a more systematic way.

"Base area business" and "systematic innovation" are the core logic behind the Company's endeavors toward its mid-term vision of "realizing RMB100 billion in operating revenue". In terms of "base area business", the Company will address rigid demands in social areas and areas relating to people's livelihoods with AI through linkage of three tiers (G, B and C ends), and generate sustainable revenue in disregard of the economic cycle. Along the path for realizing the vision, the Company will solve major social issues through "systematic innovation": to put key and core technological achievements into application by filling up the technological gap; deeply integrate key technologies on the innovation chains to stimulate innovation ability; systematically analyze and turn major social issues into scientific issues.

"Base area business" and "systematic innovation", the two core engines to support the rapid growth of iFLYTEK's business results, will inform its operations management and strategic moves in the next five years. Systematic innovation has forged an increasingly solid core competitiveness and brand-new competition barriers at iFLYTEK, guiding the Company onto a fresh stage that leads to the future and ushering it into a new chapter of development.

ii. Operations management plan for 2022

In 2022, the Company will **still follow the indomitable development strategy**:

For one, the Company will retain its leadership in core technology, ensure the actual business application with core technology that is top tier around the world, and continue to forge technological barriers and leading advantages; for two, the Company will actively promote large-scale application of AI related technologies, and work for deep integration of AI technology with many industries and multiple areas, so that the industrial ecosystem can sustain and prosper.

Stick to the industrial development strategy of "platforms + tracks":

Based on the AI Open Platform of iFLYTEK, an ecosystem of the AI industry has taken initial shape at the Company, and the open platform ecosystem service system has become an important element of the Company's strategy. The open platform will continue to empower developers, build a closed-loop ecosystem with continuous

iterations, realize inner and extended growth in a sustainable manner through technological empowerment, and join partners in achieving win-win business outcomes and creating a healthy, prosperous open ecosystem.

In terms of track, the Company's base area business has formed the standard of "benign dependence on users, long-term business capability, sustainable growth potential and value of setting an example in the industry", and it will enter the harvest period, and forge sustainable development and long-term profit-making capabilities. In face of the opportunity endowed by the AI era, the Company will maintain the development momentum, continuously integrate resources to improve the strategic execution efficiency of key business directions, and orderly promote the large-scale application of AI in various industries. In key fields such as consumers, education, and health, the Company will, underpinned by the three-in-one combination of core AI technology, application data and field, continue to sharpen its edges in tackling rigid demands and forging intergenerational differences, build a base area for business with high growth potential, work to address rigid social demands with innovative advantages, and make AI a source of bringing benefits to the society and fueling the continuous growth of its business results.

To meet the urgent demand of high-growth business clusters in the AI industry for space, iFLYTEK has kicked off the construction of an AI R&D and production base for higher-quality, larger-scale development.

Technology research and business development plans

Consistent with the development plan, the Company has devised the business plans in technical research and business development in 2022 as follows:

Core technology research plan: pursue innovation in core technology at the source, continuously increase inputs in core technology in the fields of intelligent speech, machine translation, natural language understanding, image recognition, image understanding, knowledge map, knowledge discovery, and machine reasoning, etc., and continuously lead the core AI technology by deepening research and expanding technical boundaries; continue to make breakthrough in key technologies, including unsupervised learning and interpretable learning, and actively prepare for working in such forward-looking research directions as virtual humans, robots integrating software and hardware, and brain science; scientifically analyze major social issues such as education and health, continuously strengthen the technological moat, and build differentiated advantages; strive to be a leader not only in technology but also in product, allow "core technology to support core product and core product to support solutions", and sustain the rapid development of products in education, health, consumers, cities, and automobiles, guaranteeing the realization of the goal of "creating a better world with artificial intelligence" with powerful core technology.

Business development plan

Education business: further cement the platform capabilities and work for the integration of products and results; make wider presence in high-quality areas and schools, and continuously improve the efficiency of and IT application in education and teaching through the solution of "teaching according to students' abilities"; based on the product value of individualized learning, further promote the business model of in-depth operation around teachers and student users, and increase the business revenue.

Consumer business: actively accommodate to the interactive demand in the field of intelligent hardware, rely on the international leading core AI technology of iFLYTEK to continuously refresh the interactive experience in hardware scenarios, accelerate the industrial layout among individual consumers, entrepreneurs and all types of users, keep on conducting optimizations and iterations, improve user experience, further strengthen channels, increase traffic of private domains in marketing, reach more and increase end users in scale.

Healthcare business: maintain the leading edge in assisting diagnosis and treatment at the community level, continuously promote the in-depth application of AI technology in health, duplicate and promote AI-aided diagnosis and treatment in the rest of the country for higher work efficiency and service ability of medical staff,

and accelerate the layout and large-scale application of iFLYTEK Smart Medical Assistant in community-based medical institutions; explore new business models, including AI-powered chronic disease management, and medical insurance cost control.

Smart city business: utilize core AI technology at the source to continuously improve the "urban super brain" centered novel and integrated solution for smart cities, and actively participate in the program design and construction of smart cities based on technological accumulation and large-scale applications in the past, to meet the demand of "digital economy". Closely follow the application requirements of political and legal authorities, and actively expand the in-depth application of intelligent speech and AI technology in the fields of justice and public security.

iFLYTEK will further enhance its international leading edge in core technology, strengthen and consolidate product and market advantages, and guide the AI industry onto a faster growth track. Through "base area business" and "systematic innovation", the Company will empower the development of education, health and other fields which is required by major national strategies with AI, and work to serve people's lives with the application of innovative technological products and create a better world with AI.

iii. Risk Exposures of the Company and Responses

The Company insists on returning to value creation and standardized operation, carefully identifies various risks, and actively takes actions to shun and mitigate risks.

1. Macro-economic risks

At present, the international landscape is quite complicated, geopolitical conflicts such as the Russia-Ukraine War continue to interweave with other risks, and the uncertainty of the macro-economic environment further increases. The Company will strengthen technological innovation at the source in a down-to-earth manner, constantly promote the business and product applications that address rigid demands and feature intergenerational differences, and actively sharpen the ability to develop not affected by the economic cycle. In a macro-environment of aging population and declining birth rate, the transition from demographic dividend to talent dividend and then to AI application dividend will define the trend of industrial development. The Company will continue to address the rigid social needs with innovative strength, and make AI a source of bringing benefits to the society and fueling the continuous growth of its business results.

2. COVID-19 risks

The COVID-19 pandemic is still lingering globally, with flare-ups at home and abroad. If lost control, the virus may have a great impact on the Company's marketing and on-site delivery. The Company will contain the virus with unremitting efforts, make endeavors to protect the health of employees, keep a close watch on the pandemic development, carefully assess its impact on operations, and fight actively against the disease to minimize its negative impact. iFLYTEK will contribute its share to the pandemic response, utilizing its international leading core AI technology. The pandemic also highlights the rigid demand of deep integration of AI plus Internet with education and health, and provides the Company with the opportunity of strengthening its understanding of customers in education, health and smart city, among others, which will build a sound application foundation, justification and demonstration for the long-term development of the Company's related business.

3. Business innovation risks

To seize the opportunity in the AI industry and cater to the need for rapid advances of technology in the industry, companies are increasing R&D inputs for the development of new technologies and new products. However, there are many uncertainties over the industrial and market-oriented application of technology. If the R&D inputs cannot get the expected results, that may threaten the profitability and growth of the Company. Faced

with the above risks, the Company will pursue the two growth engines of "systematic innovation + base area business". Specifically, it will leverage the solid R&D power in core AI technology, carry forward with business innovation and mitigate exploration risks based on the base area business of "benign dependence on users, long-term business capability, sustainable growth potential and value of setting an example in the industry".

XII. Researches, Communications and Interviews Received during the Reporting Period

√ Applicable □ Not applicable

Date	Location	Reception	Type of visitors	Visitors	Main content of talks and materials provided	Index to basic information on the researches
26 February 2021	Beijing Headquarters of iFLYTEK	Field research	Institution	Bian Guangjie of Gfund, Zhu Xiang of Orient Fund, Ping Shuyu of Zheshang Fund, Yang Haida of Great Wall Wealth IAMC, Deng Zuming of Purekind Fund, Wang Hao of Yinhua Fund, Li Yaxin of Sinosafe Assets, Zheng Xiangchun of ZYYL AMC, Jin Feng of Bohai Fund, Guo Ruijian of Dunhe Foundation, Geng Jinwen of Xinhua Assets, Du Hao of Jinying Fund, Chen Chaoyang of Xinhua Assets, Yang Benhong of Industrial Securities, Wu Mingyuan of Industrial Securities, Bai Jiayi of Southwest R&D, Jiang Yaokun of Dongwu Fund, Wang Xiaoqiang of Founder Fund, Sun Guanqiu of Fengpei fUND, Qian Dongbiao of Fuanda Fund, Tian Yu of Guanshi AMC, Lu Yuheng of Hanye Investment, Lu Xujuan of Hengsheng Fund, Fan Weijun of HuaAn Fund, Chu Tian of China Future Capital, Xu Ben of HSBC Group Management, Du Hao of Jinying Fund, Wise Lui of Kingtower AMC, Lv Weizhi of Kingtower AMC, Wu Xin, Li Jian and Huang Qun of Jun Tang AMC, Yang Yushan of Smile Stone, Liang Guozhu of ABC-CA Fund Management, Hao Xudong of Lord Abbett China AMC, Hu Zhiwei of Lord Abbett China AMC, Xiong Yu of Qianhai Alliance Asset Management, He Tianxiang of Rong Tong Fund, Tang Qian of Ruiyuan Fund, Tao Junfeng of Southwest R&D, Zhao Feng of Taiping AMC, Tan Linglan of Southwest R&D, Tian Wen of Southwest R&D, Xu Yidan of Southwest R&D, Xu Zhe of Southwest R&D, Yang Zhenyu of Southwest R&D, Zhu Bin of Southwest R&D, Lei Yacong of Southwest Securities, Wang Xiangjie of Southwest Securities, Zeng Guofu of First State Cinda Fund, Lu Shijie of Industrial Global Fund, Du Caiming of E Fund, Jiang Yifei of Yiqinghui AMC, Shen Yufei of Galaxy Asset, Zhang Bing of Yingfeng Capital, Pu Renjie of Orvibo, Wang Jiaqi of BOC Investment	Intelligent hardware sales, planning on health products, competitive barriers of the Company, and regional promotion of the initiative of teaching according to students' abilities	(http://rs.p5w.net/c/002230) 20210228 Please see the IR Management Files of iFLYTEK dated 28 February 2021 on the IR Interactions Platform (http://rs.p5w.net/c/002230) for details.

				Management, Ouyang Lijun of BOC Investment Management, Xu Yidan of Southwest Securities, Ma Zhihao of Stonelake Asset, Zhao Wanxia of Shennong Capital, Chen Yu of Shennong Capital, Zhang Lei of Tianhong Asset Management, Chen Jianbo of CQ Capital, Sun Yujiao of Life Insurance, Zhong Xin of Ren Bridge Fund, Chen Meng of Western Leadbank FMC, Zhu Dengke of Shanghai Dingtian Investment, Gary Ng of Samsung Asset Management, Wu Zhiwen of KGI SITE, Xie Tianling of Capital Fund, Wu Binghuan of Fubon Securities, Chen Minghui of Shenzhen ORVIBO Investment Management Co., Ltd., Zhai Shiming of Shenzhen ORVIBO Investment Management Co., Ltd., Huang Xin of PICC AMC, Qi Chenfu of PICC AMC, Sun Qiubo of PICC AMC, Huang Haipei of PICC AMC, and Wang Gaowei of PICC AMC		
04 March 2021	Beijing Headquarters of iFLYTEK, and Hefei Headquarters of iFLYTEK	Field research	Institution	Gao Xiaoxiao of Broad Fund, Jing Shuguang of China Securities, Xu Bo of China Securities, Feng Da of CICC, Tian Peng of CICC, Luo Yichao of CITIC AMC, Gao Zhenxiao of Industrial Securities, Jiang Yanglei of Topsperity Securities, Wang Zuozhou of Topsperity Securities, Yang Yanyu of Guokai Securities, Wang Yifei of Guokai Securities, Zheng Rentao of Founder Fubon Fund, Li Jia of Hao Ze Zhi Yuan (Beijing) Investment Management Co., Ltd., Yu Chenglong of Haitong Securities, Zhao Zian of Shanghai Yueqiu Investment Co., Ltd., Zhang Jiawei of Shanghai Yace Investment Management Co., Ltd., Fang Yunlong of Beijing Hongdao Investment Management Co., Ltd., Yuan Chao of China United Insurance Group, Zhang Zhang of Hua Chuang Securities, Zhao Xuyang of Yongrui Wealth, Wang Jiawei of Yihui Investment, Yu Jingwen of Botong Investment, Wang Qiyu of GF AMC, Cui Wei of China Life AMC, Li Lei of ICBC Credit Suisse AMC, Wu Tong of Shanxi Securities, Zhao Gaoshang of Fundamental & Beyond AMC, Xie Weiyu of BOCOM International Trust, Feng Pin of GF Fund, Zhang Mingyu of Dongfanghong AMC, Guo Leying of Guangdong Cherami Sunon Securities Investment Management Co., Ltd., Li Aoyuan of GF Securities, Wang Xiaole of GF Securities, Wang Shuwei of Huamei International Investment Group, Zhou Jiansheng of Nuode Fund, Yan Li of Yixinan AMC, and Ding Zhiguo of Xiangbai Fund	Rotating president, barriers to smart education, planning on health products, and intelligent hardware	(http://rs.p5w.net/c/002230) 20210304 Please see the IR Management Files of iFLYTEK dated 04 March 2021 on the IR Interactions Platform (http://rs.p5w.net/c/002230) for details.
20 April 2021	Shenzhen Stock Exchange	Field research	Institution & Individual	579 investors attended on the spot (170 investors) or via IFLYREC (409 investors).	Exhibition hall on the cloud to virtually	(http://rs.p5w.net/c/002230)

			al		visit the AI Exploration Hall of iFLYTEK and hear the presentation on the Company's business results in 2020; influence of education policies; the vision for increasing operating revenue to RMB100 billion; vehicle-mounted business; planning on business in the Greater Bay area; business results; Learning Pad and smart notebook; internal organizational framework; and consumer side of education	20210422 Please see the Performance Briefings and Road Show Information of iFLYTEK dated 22 April 2021 on the IR Interactions Platform (http://rs.p5w.net/c/002230) for details.
25 August 2021	Beijing Headquarters of	Field research	Institution & Individual	The results briefing was open to all the investors and friends who cared about the development of iFLYTEK and the AI industry. It was held virtually via iFLYREC and broadcast via	<i>The Report on Business Performance</i>	(http://rs.p5w.net/c/002230)

	iFLYTEK, and Hefei Headquarters of iFLYTEK		al	live video streaming on p5w.net and egsea.com. By incomplete statistics, the results briefing attracted more than 413,500 participants. Where, 318 investors attended via iFLYREC (the number of those investors who attended using their nicknames was not counted); the number of investors who attended the live streaming session was 82,182 on p5w.net and over 331,000 on egsea.com.	<i>e in IH2021</i> ; the faster growth of operating revenue from education business; the influence of the education policy "double reduction" on the Company's business; the changes in gross profit margin in 1H; the planning on development of health business; the development of platform-based business model	20210826 Please see the Performance Briefings and Road Show Information of iFLYTEK dated 26 August 2021 on the IR Interactions Platform (http://rs.p5w.net/c/002230) for details.
28 October 2021	Beijing Headquarters of iFLYTEK, and Hefei Headquarters of iFLYTEK	Field research	Institution & Individual	The results briefing was open to all the investors and friends who cared about the development of iFLYTEK and the AI industry. It was held virtually via iFLYREC and broadcast via live video streaming on p5w.net. By incomplete statistics, the results briefing attracted more than 110,000 participants. Where, the number of investors who attended the live streaming session was 110,593 on p5w.net; 112 investors attended via iFLYREC.	<i>The Report on Business Performance e in 3Q2021</i> ; the influence of the education policy "double reduction" on the Company's	(http://rs.p5w.net/c/002230) 20211028 Please see the Performance Briefings and Road Show Information of iFLYTEK dated 28 October 2021 on the IR

					business; interpretation of gross profit margin figure; intelligent hardware of consumer business; the strategic planning on Harmony ecosystem and Open Platform 2.0; and the planning on development of health business	Interactions Platform (http://rs.p5w.net/c/002230) for details.
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Section IV Corporate Governance

I. Basic Overview

Complying fully to regulated development, iFLYTEK has always strictly abided by the laws, administrative rules and regulations and regulatory documents in its operations, including the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, China Securities Regulatory Commission's (CSRC) related regulations, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange* and *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 1: Regulated Operations of Companies Listed on the Main Board*. Furthermore, the Company has been continuously optimizing its governance while striving to build a modern business system and actively empowering its governance with AI. The Company continues to perfect its governance and all the rules and regulations for internal control. It is strengthening its information disclosure and actively managing its investor relations while maintaining its regulated operations.

(i) Due diligence and compliance to enhance the listed company's quality

The Company's governing body remained diligent in enforcing compliance, while its shareholders' general meeting, Board of Directors, Board of Supervisors and senior management were running normally in 2021. According to statistical data from Easy Board, a Chinese AI-powered compliance-service platform, the number of times that iFLYTEK held shareholders', Board of Directors' and Board of Supervisors' meetings in 2021 was higher than the industrial and market means. The corporate governance information during the reporting period was updated below:

1. The shareholders and shareholders' general meetings: The Company has formulated and fully implements the *Rules of Procedure for the Shareholders' General Meetings*. During the reporting period, the Company held four shareholders' general meetings, whose calling, convening, voting, drafting of resolutions and disclosure all complied with the laws and regulations and the rules stipulated in regulatory documents. The shareholders' general meetings adopted both on-site and online voting to fully safeguard shareholders' legal rights, particularly those of non-significant shareholders. Solicitors also witnessed the meetings and compiled *Legal Opinions*. They also confirmed that the meetings' calling, convening, attendants, conveners and voting procedure and results all satisfied the *Company Law*, *Rules of Shareholders' General Meetings* and *Articles of Association*, making the resolutions legal and effective.

2. The Board of Directors and its members: The Company has formulated and fully implements the *Rules of Procedure for the Board of Directors*, *Implementation Rules of the Special Committees of the Board of Directors* and *Detailed Work Rules of Independent Directors*. During the reporting period, the Company held 13 Board of Directors' meetings, which decided on major issues, while the independent directors all expressed independent opinions on major decisions and issues of the Company. In line with the laws and regulations, regulatory documents and company rules concerned, the Board of Directors has been working diligently and playing an active role. It has guided the ongoing and healthy development of the Company with rational decisions and is committed to repaying the investors with growth and results. The Company especially respects and gives play to the roles of the independent directors and the special committee of the Board of Directors, which diversify the knowledge structure of the board and in turn ensure rational decision-making. During the reporting period, the Special Committees of the Board of Directors held 13 meetings and gave fully play to the professionalism and

effectiveness of the board's operations. In 2021, iFLYTEK's Board of Directors was named "Best Board of Directors" by the *Securities Times*, a national financial newspaper in China, and won the "Golden Round-Table Award" from *Directors & Boards*, a Chinese magazine. Moreover, iFLYTEK's Board of Directors Office was nominated as the "Best Example of Board of Directors Office of Listed Companies" by the China Association for Public Companies (CAPCO), making it the only non-"zhongzitou" company among the top ten nominees. The office has also been selected as an outstanding model example – one of the only two in China.

3. The Board of Supervisors and its members: The Company has formulated and fully implements the *Rules of Procedure for the Board of Supervisors*. During the reporting period, the Company held nine Board of Supervisors' meetings, which fully monitored, reviewed and supervised the Company's operations and actively participated in the making of business decisions. Special financial management and internal checks were launched. Meanwhile, with its multi-approach and dimensional monitoring and a sound discussion mechanism, the board was able to fully monitor, review and check the Company's business management, finances, internal control and related-party transactions. It assumed fully the responsibility to safeguard the rights of the shareholders while promoting the Company's ongoing and healthy development. The monitoring approaches and aspects primarily included: 1) off-site checks of the Company's operations in conformity with legal provisions; 2) on-site checks of the Company's finances and regular report reviews; 3) internal-control checks; 4) special checks on related-party transactions; 5) special checks on the use of the raised funds; 6) special investigation of major issues and strategies of the Company; 7) the setting up of special appointments with the Company's Chairman of the Board, president and other senior managers at the regular reporting meetings to communicate face-to-face and understand the key concerns of the Company; and 8) checking the recipients of the Company's stock ownership incentive plan. The Board of Supervisors actively exercised its supervisory functions and powers within the scope of power entrusted by the *Corporate Law*, *Articles of Association* and the shareholders' general meetings. All the supervisors were present at every shareholders' meeting as non-voting attendees and monitored the voting. They also observed the meetings held by the Board of Directors to safeguard the legal rights of the Company and its shareholders and creditors.

4. The president and management: The Company has formulated and fully implements the *Detailed Work Rules of the President*. During the reporting period, the Company held 25 president's working meetings, while the management diligently fulfilled all its duties entrusted by the Board of Directors. A corporate-governance structure, comprising shareholders' general meetings, the Board of Directors, Board of Supervisors and management, which is discrete and mutually constraining was thus formed. This ensures the Company's regulated operations as each component attends to its own duties and assumes its own responsibility within the scope of its respective authority. Before the convening of each biannual or annual Board of Directors meeting, iFLYTEK has always insisted that the management formally responds and discusses the handling of issues that the Board of Directors had raised in the previous biannual or annual meeting, so as to ensure the effective execution of the board's decisions.

5. Significant shareholder and actual controllers: The Company's business, personnel, assets, organization and finances are independent of the actual controllers that have always given top priority to fostering the awareness of regulated operations and development. They strictly observe the laws, administrative rules and regulations and regulatory documents concerning actual controllers, including the CSRC's related regulations, *Rules Governing the Listing of Shares on Shenzhen Stock Exchange* and *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 1: Regulated Operations of Companies Listed on the Main Board*. Furthermore, they fully guarantee that there is no horizontal competition, misappropriation of the Company's funds or jeopardizing the Company's interests, especially those of small and minority shareholders.

6. Information disclosure and transparency: The Company has always attached great importance to

information disclosure and continues to improve its information transparency. It protects the interests of its investors by ensuring that the disclosed information is authentic, timely, accurate, complete, fair, legal and regulated. The Company demonstrates its driving force through full, timely and effective information disclosure, which also strongly supports the management of its investor relations and the safeguarding of investors' rights. The Company discloses information in strict compliance with the laws, administrative rules and regulations and regulatory documents, including the *Rules Governing the Listing of Shares on Shenzhen Stock Exchange* and *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 1: Regulated Operations of Companies Listed on the Main Board*, as well as the Company's *Management System for Information Disclosure*. The Company disclosed and published a total of 197 documents in 2021, amounting to 1.8466 million words. The Company has always maintained accurate and prompt information communication with the capital market. By providing an open channel for the management of investor relations and the safeguarding of investors' rights, the Company hopes to truly help investors with value-investing ideals. 2021 marked the 13th year since iFLYTEK became listed and the 13th consecutive year as the Company's information disclosure continued to be evaluated as outstanding by the Shenzhen Stock Exchange. The Shenzhen Stock Exchange pointed out especially in its *2020 Evaluation List of Information Disclosure by Companies Listed on the Shenzhen Stock Exchange* that "companies including iFLYTEK have been receiving an A in their evaluation for over ten consecutive years and serve as exemplary models". According to statistics, among all the companies listed on the main board of the Shenzhen Stock Exchange, including those previously listed on the small and medium enterprise board, only nine companies have received an outstanding evaluation for 13 consecutive years, that is, only 0.60%.

7. The management of investor relations and the protection of investors' rights: The Company has always strictly followed the rules stipulated in the *Management Rules of Investor Relations*. It continues to strengthen its information communication with investors and hold investor events, so as to help investors learn more about and understand the Company and invest rationally. The Company also helps investors learn fully about its operations and development through receiving visits from individual and institutional investors, press interviews with its management and participation in strategy meetings. Since becoming listed 13 years ago, the Company has always distributed dividends every year, allowing investors to share the Company's growth and development and offering its shareholders long-term returns with solid business achievements. The Company's operating revenue grew by 70-fold between its listing in 2008 and 2021, while the net profit attributable to equity shareholders rose by 21-fold. The Company is also the only A-share listed company to achieve a consecutive annual revenue growth that exceeded 25% for the last decade. In 2021, iFLYTEK worked diligently to set the example of annual performance briefings and was named the "Best Example of Performance Briefings by Listed Companies in 2020" by CAPCO. The Company's investor-relations efforts were also honored with awards such as "Best Investor Relations" by the *Securities Times*, "Outstanding IR Business" of the gold prize for investor relations by www.p5w.net, "Outstanding IR Team" and "Outstanding IR Company" by www.chnfund.com.

8. Performance evaluation and incentive and restraint mechanism: Upholding the core value of "helping employees to achieve ideals and creating value for society", the Company remains focused on its long-term development and individual internal needs, even as it designed its performance evaluation and incentive and restraint mechanism. The appointment of the Company's senior management members has always been open and transparent and the emoluments are verified by the emolument board and approved by the Board of Directors and shareholders' general meetings. Moreover, based on its business operations, the Company has built a sound performance-evaluation system and an incentive and restraint mechanism that ensure its healthy development. Focusing on business development and personal growth, the Company continues to improve structural division, talent training and the training system. The Company has launched diverse talent-fostering programmes that

combine employee growth with business development, so both the Company and its employees may succeed together.

(ii) AI-empowered corporate governance innovation

Building upon its internationally leading core AI technology, iFLYTEK actively applies AI to corporate governance.

In conjunction with the requirements of corporate governance and standardized internal control, iFLYTEK has systematized and normalized its governance and risk control and management with the help of AI and big data. In terms of actual execution, when making major internal business decisions, the Company uses iFLYREC to help the shareholders' general meeting, the Board of Directors, the Board of Supervisors and the senior management make big decisions, including the decision making on major issues, the appointment and dismissal of key executives, the decision making on important investments and the use of large funds. The meetings are fully recorded, allowing tracking and management and avoiding regulatory risks. iFLYREC remotely connects the Board of Directors, Board of Supervisors and investors "face to face", allowing them to share and view PowerPoint presentations and conference materials and voice their opinions. This overcomes the spatial limitations of conference participation and communication and enhances the efficiency of corporate governance. The Company pools together information and data from different internal systems and is able to automate most of the internal-control processes with the help of risk models and algorithm, making them more targeted, efficient and smarter. For example, iFLYTEK's reimbursement robot can conduct independent internal checks with the help of AI and eliminate fake and illegal invoices. The advantage of fully quantitative reviews both respect employees' self-discipline and systematically avoids potential risks. The digital auditing fully covers the self-service reimbursement and automatically identifies problems, making it a relatively well-developed personal reimbursement system.

(iii) The deeply engrained standardized corporate governance is widely recognized

iFLYTEK is committed to being a listed company that operates in strict accordance with the regulations, and its corporate governance and regulated operations have received the unanimous approval of regulatory authorities, CAPCO and all sectors of society.

Since its listing in 2008, iFLYTEK has always received an evaluation score of A for information disclosure each year.

iFLYTEK's Board of Directors and Board of Supervisors have been nominated as the "Best Example of Board of Directors Office of Listed Companies" and the "Best Example of Board of Supervisors of Listed Companies" by CAPCO. They are also both the only ones among those from the top ten listed private companies to be selected as outstanding model examples.

iFLYTEK has been named the "Most Respected Listed Company by Investors" in a "Most Respected Listed Company by Investors" nomination event organized by CAPCO, the Shenzhen Stock Exchange and the Shanghai Stock Exchange.

In 2021, the Company was presented with honors such as "the best listed company" by *New Fortune*, a Chinese magazine; the "Golden Bull's Award for Most Worthy of Investment" by the *China Securities Journal*; the "Star Company with Ongoing Investment Value" by *Chinese Securities Journal*; "TOP Growth Potential of the Golden Company List" by China's Snowball Finance; and "China's Reputable Listed Company" by China's *National Business Daily*.

Does the Company's actual corporate governance deviate significantly from the laws, administrative rules and regulations and the CSRC's rules concerning the governance of listed companies?

Yes No

The Company's actual corporate governance does not deviate significantly from the laws, administrative rules and regulations and the CSRC's rules concerning the governance of listed companies.

II. How the Company Ensures its Assets, Personnel, Finances, Organization and Business are Independent of its Controlling Shareholders and Actual Controllers

The Company owns fully its independent business and possesses the capacity to operate independently. It ensures its assets, personnel, finances, organization and business are independent of the actual controllers.

1. Asset independence

The actual controllers of the Company are Mr. Liu Qingfeng and his actors in concert, USTC Holdings Co., Ltd. Their assets are strictly separated from those of iFLYTEK and there has been no misappropriation of Company assets. There has also been no misappropriation of Company assets by the Company's other significant shareholders. The Company also does not provide guarantees for individuals, its shareholders or any other business they control with its assets, rights or credibility; there is no exploitation by its shareholders or their affiliated parties. The Company holds complete and full proof of title to its assets, including its property, land-use rights, main production and operational equipment, trademarks and software copyright, and no legal disputes or potential disputes exist.

2. Personnel independence

The Company's directors, supervisors and senior management members are elected in strict accordance with the *Company Law*, *Articles of Association* and the rules of procedure for shareholders' general meetings and the Board of Directors. No senior management members of the Company have assumed non-directorial or supervisory roles in other businesses belonging to or controlled by the Company's actual controllers. All the senior management members receive their emoluments from the Company and not from the actual controllers and/or other businesses they control. The Company has an independent and comprehensive human-resources management system and has devised independent and related systems, including the *Rules for the Management of Recruitment Contracts*, *Rules for the Management of Human-Resources Files*, *Rules for Training Management*, *Rules for the Management of Salary Payment*, *Measures for the Management of Employee Performance*, *Rules for the Management of Attendance Records*, *Rules for the Management of Benefits* and *Rules for the Management of Recruitment and Transfers*. The Company signs independent labour contracts with employees and manages its employees in a systematic and standardized manner. The Company fully and independently manages its human resources, salaries and emoluments and social benefits.

3. Financial independence

The Company has an independent financial-accounting department with independent financial accountants. Furthermore, the Company has set up independent accounting and financial-management systems and performs independent financial decisions. The Company has independently opened up a bank account and independently pays taxes.

4. Organizational independence

The Company has a sound and independent corporate-governance structure and has developed sound rules of procedure for shareholders' general meetings, the Board of Directors, Board of Supervisors, Special Committees of the Board of Directors, secretary to the Board of Directors and the management. Moreover, the Company has formulated the *Regulations on the Management of Controlled Subsidiaries*, so that the bodies and personnel concerned may perform their duties according to the law. The Company has built comprehensive and efficient business, technical and functional departments. The setting up of the Company's departments are independent of

its shareholders and any other units or individuals.

5. Business independence

The Company is independently engaged in the development and sales of software and possesses comprehensive systems for business, development and design, project control, procurement, finances and quality control. The Company is capable of independently launching its business on the market. No horizontal competition exists between the Company and its actual controllers and/or significant shareholders. Where transactions with the Company's actual controllers, significant shareholders and related parties do take place, the Company strictly follows the review and information-disclosure procedures in accordance with the regulatory rules, and there is no jeopardizing the interests of the Company, especially those of non-significant shareholders.

III. Horizontal Competition

Applicable Not applicable

IV. Annual General Meeting and Extraordinary Shareholders' General Meetings Convened during the Reporting Period

1. Shareholders' meetings during the reporting period

Session	Type	Investor participation	Meeting date	Disclosure date	Resolution
1 st extraordinary shareholders' general meeting in 2021	Extraordinary shareholders' meeting	36.80%	03 February 2021	03 February 2021	Announcement No.: 2021-015 Announcement: "Resolution Announcement of the 1 st Extraordinary Shareholders' General Meeting in 2021" Disclosed on <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Shanghai Securities News</i> , <i>Securities Daily</i> and www.cninfo.com.cn
2020 annual general meeting	Annual general meeting	31.63%	10 May 2021	10 May 2021	Announcement No.: 2021-047 Announcement: <i>Resolution Announcement of 2020 Annual General Meeting</i> Disclosed on <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Shanghai Securities News</i> , <i>Securities Daily</i> and www.cninfo.com.cn
2 nd extraordinary shareholders' general meeting in 2021	Extraordinary shareholders' meeting	37.22%	13 October 2021	13 October 2021	Announcement No.: 2021-082 Announcement: <i>Resolution Announcement of the 2nd Extraordinary Shareholders' General Meeting in 2021</i> Disclosed on <i>Securities Times</i> , <i>China Securities Journal</i> , <i>Shanghai Securities News</i> , <i>Securities Daily</i> and www.cninfo.com.cn

3 rd extraordinary shareholders' general meeting in 2021	Extraordinary shareholders' meeting	32.77%	2021年11月26日 26 November 2021	2021年11月26日 26 November 2021	Announcement No.: 2021-097 Announcement: <i>Resolution Announcement of the 3rd Extraordinary Shareholders' General Meeting in 2021</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and www.cninfo.com.cn
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2. Shareholders holding preference shares with restored right to vote requesting the convening of extraordinary shareholders' general meetings

Applicable Not applicable

V. Directors, Supervisors and Senior Management Members

1. Overview

Name	Position	Status	Gender	Age	Term start date	Term end date	Initial no. of shares held	No. of additional shares held in current period	No. of shares no longer held in current period	Other change in shares	No. of shares held at term end	Reason for changes in share no.
Liu Qingfeng	Chairperson	Incumbent	Male	48	13 April 2009	09 January 2023	97,851,830	70,401,437			168,253,267	Note 1
Liu Xin	Director	Incumbent	Male	50	05 January 2013	09 January 2023						
Wang Bing	Director	Incumbent	Male	53	10 January 2017	09 January 2023						
Wu Xiaoru	Director	Incumbent	Male	49	10 April 2010	09 January 2023	18,033,790				18,033,790	
Jiang Tao	Director, Vice President, Secretary to the Board of Directors	Incumbent	Male	47	04 February 2016	09 January 2023	10,022,581				10,022,581	
	Director,			49	23 April	09	355,000			200,000	555,000	

Duan Dawei	Vice President	Incumbent	Male		2018	January 2023						Note 2
Nie Xiaolin	Director, Vice President	Incumbent	Male		03 January 2017	09 January 2023	4,750,600				4,750,600	
Zhao Xudong	Independent director	Incumbent	Male	62	09 January 2020	09 January 2023						
Zhao Xijun	Independent director	Incumbent	Male	58	03 February 2021	09 January 2023						
Zhao Huifang	Independent director	Incumbent	Female	69	10 January 2017	09 January 2023						
Liu Jianhua	Independent director	Incumbent	男 Male	69	10 January 2017	09 January 2023						
Gao Lingling	Chairperson of the Board of Supervisors	Incumbent	Female	59	05 January 2013	09 January 2023						
Zhang Lan	Supervisor	Incumbent	Female	55	10 January 2017	09 January 2023	1,500				1,500	
Dong Xueyan	Supervisor	Incumbent	Female	42	10 January 2017	09 January 2023	157,238				157,238	
Wang Hongxing	Supervisor	Incumbent	Male	45	09 January 2020	09 January 2023						
Lu Xueling	Supervisor	Incumbent	Female	32	18 July 2021	09 January 2023	10,000				10,000	
Du Lan	Vice president	Incumbent	Female	45	13 March 2016	09 January 2023	605,500		100,000		705,500	Note 2
Wang Ming	Financial	Incumbent	Female	42	09 January	09 January	155,250		70,000		225,250	Note 2

	controller				2020	2023						
Hu Yu	Director, Vice President	Resigned	Male	43	10 January 2014	Septemb er 2021	13,411,052				13,411,052	
Chen Tao	Director, Vice President	Resigned	Male	48	10 April 2007	26 Septemb er 2021	12,999,035				12,999,035	
Zhang Benzhao	Independent director	Resigned	Male	58	08 January 2015	03 February 2021						
Qian Jinping	Supervisor	Resigned	Male	36	09 January 2020	18 July 2021						
Total	--	--	--	--	--	--	158,353,376	70,401,437	0	370,000	229,124,813	--

Note 1: This is due to private placement proposed by the Company's actual controller, Mr. Liu Qingfeng;

Note 2: This is due to the Company's employee-stock-option plans and the granting of restricted stock to beneficiaries of the restricted-stock incentive plan in 2021.

Were there dismissals of incumbent directors, supervisors and senior management members during the reporting period?

Yes No

Please see changes to the Company's directors, supervisors and senior management members for details.

Changes to the Company's directors, supervisors and senior management members

Yes No

Name	Position	Condition	Date	Reason
Zhang Benzhao	Independent director	End of term of office	03 February 2021	Had served as the Company's independent director for six consecutive years.
Zhao Xijun	Independent director	Elected	03 February 2021	Elected as independent director following Mr. Zhang's resignation at the end of his term.
Liu Qingfeng	President	Dismissed	08 February 2021	To allow Mr. Liu, the Chairman, to focus more on the Company's future development strategy, building of core mechanisms and strengthening of talent training, the Company's Board of Directors agreed to relieve him of the duty of the president following his own

				proposal.
Wu Xiaoru	President	Appointed	08 February 2021	To better enforce hierarchical management, the Company had been experimenting with rotational presidency since 2014. After the system has matured, the Company's Chairman no longer needs to hold a current position as the president and may focus on the future. Hence, the presidency system was formally introduced after six years and two rounds of rotational presidency. Following the proposal of the Company's Chairman, Mr. Liu, the Board of Directors agreed to relieve him of the duty of the president and has engaged Mr. Wu as the president.
Qian Jinping	Employee supervisor	Resigned	18 July 2021	Qian has taken up the position of CFO at the Company's subsidiary holding company, Anhui iFLYTEK Healthcare Co., Ltd. To avoid interfering with his work at the Board of Supervisors, Qian resigned from his position as representative employee supervisor.
Lu Xueling	Employee supervisor	Elected	18 July 2021	Elected as employee supervisor following Mr. Qian's resignation.
Hu Yu	Director	Resigned	26 September 2021	Mr. Hu has resigned from his positions as director, Vice President, member of the special committee of the Board of Directors in response to the needs to develop more comprehensive ecology for the AI industry. Mr. Hu became director of the Company's Consumer Strategy Commission in March 2019 and is no longer in charge of consumer business. The Company's consumer business has been developing soundly over the last two years. It has an adequate talent pool and its business development is on track, so Mr. Hu's resignation will not negatively impact the Company's business development.
Chen Tao	Director	Resigned	26 September 2021	Mr. Chen has resigned from his positions as director, Vice President, member of the special committee of the Board of Directors in response to the needs to develop more comprehensive ecology for the AI industry. Mr. Chen became director of the Company's Strategy Commission in March 2019 and is no longer in charge of smart-city business. The Company's smart-city business has been developing soundly over the last two years. It has an adequate talent pool and its business development is on track, so Mr. Chen's resignation will not negatively impact the

				Company's business development.
Jiang Tao	Director	Elected	13 October 2021	Elected as non-independent director following Messrs. Chen and Hu's resignation.
Duan Dawei	Director	Elected	13 October 2021	Elected as non-independent director following Messrs. Chen and Hu's resignation.

2. Position overview

The professional backgrounds, main work experiences and current key duties of the Company's incumbent directors, supervisors and senior management members.

Members of the Board of Directors

Mr. Liu Qingfeng, Chairman and Founder of iFLYTEK; Doctor of Signal and Information Processing at USTC.; Director of the National Engineering Laboratory for Speech and Language Information Processing (NELSLIP); Adjunct Professor and Doctoral Supervisor at the University of Science and Technology of China (USTC); Deputy to China's 10th, 11th, 12th and 13th National People's Congress, Chairperson of the Executive Council of the Speech Industry Alliance of China and Chairperson of the CAS's Artificial Intelligence Industry-University-Research Innovation Alliance. Honoured at the 14th China's Economic Person of the Year in 2013; nominated as the "Top 100 Outstanding Private Entrepreneurs on the 40th Anniversary of China's Reform and Opening-up" in 2018 and awarded the "National Model Worker" title in 2020.

Mr. Liu Xin, Director. Holder of a PhD degree. Also serving as Chairperson at Migu Cultural Technology Co., Ltd. and Mango Excellent Media Co., Ltd. Previously served as Manager for Industrial Solutions, Head of Technical Team and Director of Client Technology of Public Business Department at IBM China; and General Manager of Data Department at China Mobile Communications Group Co., Ltd.

Mr. Wang Bing, Director. Doctor of Physical Electronics at USTC. Also serving as President at USTC Holdings Co., Ltd.; Director at Basic Education Group of USTC; Director at Time Publishing and Media Co., Ltd.; Director at QuantumCTEK Co., Ltd.; director at CAS Quantumnet Co., Ltd.; Director at Glory China Quantum Lidar; Director at Chinainstru & Quantumtech (Hefei) Co., Ltd.; Director at University of Science and Technology of China Press; and Director at Shandong Glory China Quantum Lidar. Previously served as Vice General Manager at USTC Holdings Co., Ltd.; Deputy Department Head at Scientific Research Department of USTC; and Assistant Dean of Institute of Advanced Technology at USTC.

Mr. Wu Xiaoru, Director and President. Senior Engineer and Doctor of Electronic Engineering at USTC. Also serving as the Executive Director at Wuhan iFLYTEK Xingzhi Technology Co., Ltd.; Director at Beijing iFLYTEK Lezhixing Software Co., Ltd.; executive director at Hefei iFLYTEK Duxie Technology Co., Ltd.; Executive Director at Anhui Oriental iFLY Corporation; Executive Director at Guangzhou iFLYTEK Yuchang Co., Ltd.; Executive Director at Anhui iFLYTEK Jiecheng Software Technology Co., Ltd.; Executive Director at Anhui iFLYTEK Jiecheng Information Technology Co., Ltd.; Supervisor at iFLYTEK South China Co., Ltd.; and Executive Director at iFLYTEK Central China (Wuhan) Co., Ltd.

Mr. Jiang Tao, Director, Secretary to the Board of Directors and Vice President. Master of Software Engineering at USTC. Also serving as Executive Director at Beijing iFLYTEK Information Technology Co., Ltd.; Executive Director and Manager at Tianjin iFLYTEK Information Technology Co., Ltd.; Executive Director at Zhongke iFLYTEK Interconnection (Beijing) Information Technology Co., Ltd.; Deputy Secretary-General at the

Executive Council of the Speech Industry Alliance of China; Executive Director at Beijing iFLYTEK Qiming Technology Co., Ltd.; Executive Director at Xiong'an iFLYTEK AI Technology Co., Ltd.; Executive Director at iFLYTEK Hebei Technology Co., Ltd.; Executive Director at Hefei Feier Smart Technology Co., Ltd.; Executive Director at Tianjin Zhihui Valley Technological Service Co., Ltd.; Director at Shenzhen iPanel Co., Ltd.; Director at Beijing Chinese-Foreign Translation & Information Service Co., Ltd.; Director at Shanghai iFLYTEK Ruiyuan Information Technology Co., Ltd.; Executive Director at Beijing iFLYTEK Jizhi Technology Co., Ltd.; Executive Director at Beijing iFLYTEK Zhiying Technology Co., Ltd.; Executive Director at Beijing iFLYTEK Dalai Technology Co., Ltd.; Director at Anhui iFLYTEK Healthcare Co., Ltd.; and Independent Director at Sangfor Technologies. Previously served as Chief Director at Telecommunication and Value-Added Business Department.

Mr. Nie Xiaolin, Director and Vice President. Master of Software Engineering at USTC. Also serving as Executive Director at Guangdong iFLYTEK Qiming Technological Development Co., Ltd.; Executive Director at Beijing Liyun Popular Education Technology Co., Ltd.; and Director at Beijing Chinese Education Hailan Information Technology Co., Ltd. Previously served as General Manager at the Company's telecommunication and value-added services department, Chief Operating Officer and Director of the Marketing Commission and EMT Director of Education Business.

Mr. Duan Dawei, Director, Vice President and CFO. Received an MBA at Missouri State University in 2010; Master of Economics at Dongbei University of Finance & Economics (DUFE) in 1999; and Bachelor of Economics at DUFE in 1993. Also serving as Director at Tianjin iFLYTEK Leasing Co., Ltd.; Director at Anhui iFLYTEK Healthcare Co., Ltd.; and Executive Director and General Manager at Naji Investment Management (Shanghai) Co., Ltd. Previously held senior managerial positions at Jilin Chemical Group, Jilin Provincial Electronic Group, SANY Group and SANY Heavy Industry Co., Ltd. Mr. Duan possesses extensive experience in financial management at major corporations, portfolio investment and international collaboration and has won "China's CFO of the Year" in 2008 and "China Best CFO Leadership Award" in 2019. He is also an adjunct supervisor of Master's students at Shanghai National Accounting Institute and of the Accounting programme at DUFE.

Mr Zhao Xudong, Independent Director. Vice Dean, Professor and Supervisor of doctoral candidates at the Civil, Commercial and Economic Law School of the China University of Political Science and Law; "Cheung Kong Scholar" of China's Ministry of Education; president of Commercial Law Research Institute of the China Law Society; member of the Expert Advisory Committee of the Supreme People's Procuratorate; and arbitrator at the China International Economic and Trade Arbitration Commission. Zhao is also a nationally renowned civil and commercial law scholar and possesses extensive research and practical experience in fields such as company law and contract law. He has previously served as external director at Beijing TRT Group and independent director at Founder Securities Co., Ltd. and CITIC Guoan Information Industry Co., Ltd., both are listed companies.

Mr. Zhao Xijun, Independent Director. Professor and supervisor of doctoral candidates at the School of Finance of Renmin University of China (RUC) and recipient of the State Council's Special Allowance. Currently serving as Joint-dean at the China Capital Market Research Institute of RUC; Joint-dean at the Chinese Academy of Financial Inclusion; Member and Secretary-General of the National Supervisory Committee for Professional Degrees in Finance; Deputy Secretary-General and member of the Executive Council of China International Finance Society; Executive Director and Member of the Academic Committee of China Modern Financial Society; Member of the Executive Council of China Financial Society; Executive Vice-president at Beijing International Financial Society. Zhao is primarily engaged in research in macro-economy and -finance, international finance and capital markets. He has published over 100 theses and papers since becoming a professor and has authored more than twenty monographs and textbooks. He has also led and taken part in more than twenty

scientific-research projects.

Ms. Zhao Huifang, Independent Director. Holder of a Bachelor's degree, professor and master students' advisor. Also serving as Independent Director at Sinomach General Machinery Science & Technology Co., Ltd.; Time Publishing and Media Co., Ltd.; and Anhui Transport Consulting & Design Institute Co., Ltd. Previously served as Vice Dean, Dean and Secretary of Branch Party Committee at the College of Management of Hefei University of Technology (HFU); director of MBA/MPA Management Centre at HFU; Member of the Ministry of Education's Special Educational Supervisory Committee for Business Administration; Honorary President at the Engineering University and College Branch of the Accounting Society of China (ASC); Member of the Special Educational Committee for Accounting of the ASC; Member of the Executive Council of Anhui Auditing Society; and Member of the Executive Council of Anhui Province Federation of Social Sciences. She has compiled *Corporate Accounting*, a text book published by Higher Education Press, which has been named as the textbook for the national 9th, 10th, 11th Five-Year Plans. The book has also won the first prize as Anhui Province's outstanding scientific achievement (writings). Zhao has led and taken part in many provincial and national scientific-research projects and has published articles in renowned journals at home and abroad. She is also the recipient of many provincial and ministerial awards.

Mr. Liu Jianhua, Independent Director. Holder of a Bachelor's degree and first-grade lawyer. Previously served as Director and Deputy Director at Legal Department of the Bureau of Justice in Dangshan County, Anhui Province; Office Director at Anhui Foreign-Economy Law Firm; Deputy Director at Anhui Third-Economy Law Firm; Secretary-General and Vice President at Anhui Lawyers Association; and Deputy Secretary of the Party Committee of Anhui Lawyers Association.

Members of the Board of Supervisors

Ms. Gao Lingling, Chairperson of the Board of Supervisors. MBA at the University of Maryland, U.S. and senior accountant. Also serving as Senior Manager (General-Manager grade) of internal auditing at China Mobile Communications Group Co., Ltd. and China Mobile Ltd. Previously served as Lecturer at Beijing College of Posts and Telecommunications (now Beijing University of Posts and Telecommunications); Deputy Department Head of Finance Department of the former Ministry of Posts and Telecommunications; and Vice General Manager at Finance Department of China Mobile Communications Group Co., Ltd.

Ms. Zhang Lan, Supervisor. Bachelor of Economics and senior accountant. Also serving as Vice President and CFO at USTC Holdings Co., Ltd.; Chairperson of the Board of Supervisors at CAS Quantumnet Co., Ltd.; Supervisor at Hefei USTC Basic Education Group Co., Ltd.; Supervisor at QuantumCTek Co., Ltd.; Director at Anhui Qasky Quantum Technology Co. Ltd.; and Director at Origin Quantum Computing Technology Co., Ltd. Previously served as Director of Finance and Asset Department at Logistics Group of USTC and Assistant to the Head of Finance Department at USTC.

Ms. Dong Xueyan, Supervisor. Bachelor of Chinese Language and Literature at Anhui University. Currently serving as Senior Manager at the Company's President Office. Previously served as Secretary to the Company's Communist Youth League of China, Regional Manager and Marketing Director of the Education Department.

Mr. Wang Hongxing, Supervisor. Master of Engineering Management at Peking University and Bachelor of Management and Engineering at USTC. Also serving as the Company's Chief Information Officer and Director at Shanghai Zhifei Yuannian Technology Co., Ltd. Previously served as Consulting Director at IBM China Co., Ltd. and Accenture China Co., Ltd. and General Manager of Information Management Department at Founder Group of Peking University.

Ms. Lu Xueling, Supervisor. Bachelor of Software Engineering at Jiangxi University of Finance and

Economics. Also serving as the Company's Manager of Operations Management at Strategic Operations Department. Previously served as Head of the testing team and project manager.

Senior Management Members

For the main work experiences of Messrs. Wu Xiaoru, Jiang Tao, Nie Xiaolin and Duan Dawei, who also serve as the Company's directors, please refer to the "Members of the Board of Directors" section.

Ms. Du Lan, Vice President. Doctor of Management Science and Engineering at South China University of Technology, senior economist, Member of the Standing Committee of Guangdong Youth Federation and Member of the Executive Council of Guangdong Provincial Association for Young Scientists. Also serving as Manager at iFLYTEK South China Co., Ltd.; Executive Director and General Manager at Guangzhou Keyu Information Technology Co., Ltd.; Executive Director and General Manager at Guangzhou Keyin Information Technology Co., Ltd.; Director at Guangdong AIAD Technology Co., Ltd.; Managing Partner at Guangzhou Yitingshuo Investment Consulting Partnership (limited partnership); Executive Director at iFLYTEK South China AI Research Institute (Guangzhou) Co., Ltd.; Executive Director and General Manager at Guangzhou iFLYTEK Superbrain Technology Co., Ltd.; and independent director at BGI Genomics. Previously served as General Manager at General Department of Southern Bases and of the Internet company (under development) of China Mobile Communications Group Co., Ltd.

Ms. Wang Ming, Financial Controller. Holder of a Bachelor degree and accountant. Also serving as Supervisor at Xinjiang Shenggu Rongchuang Digital Industrial Development Co., Ltd.; Supervisor at Xinjiang Yiyu Shenggu Information Technology Co., Ltd.; Supervisor at Guangzhou iFLYTEK ETS Network Technology Co., Ltd.; and Supervisor at Tianjin iFLYTEK Financing and Leasing Co., Ltd. Previously served as Deputy Manager at Finance Department of Business Tower of Hefei Department Store Building Group, Head of Accounting Department of Joymart of Hefei Department Store Building Group, General Manager of Business and Finance Department of iFLYTEK and the Company's Deputy CFO.

Concurrent positions held in shareholding units

√ Applicable □ Not applicable

Name	Unit name	Position	Term start date	Term end date	Remuneration and allowances collected
Liu Xin	China Mobile Limited	Chairperson at Migu Cultural Technology Co., Ltd.	06 February 2015		Yes
Wang Bing	USTC Holdings Co., Ltd.	President	25 July 2019		Yes
Wang Bing	Basic Education Group of USTC	Director	15 April 2015		
Wang	University of Science and Technology of China Press	Director	29 May 2015		

Bing					
Gao Lingling	China Mobile Limited	Senior Manager (General-Manager grade) of internal auditing at China Mobile Ltd.	01 September 2020		Yes
Gao Lingling	China Mobile Limited	Senior Manager (General-Manager grade) of internal auditing at China Mobile Communications Group Co., Ltd.	01 September 2020		Yes
Zhang Lan	USTC Holdings Co., Ltd.	Vice President, CFO	01 September 2020		Yes
Zhang Lan	Basic Education Group of USTC	Supervisor	01 May 2018		
Positions in the shareholding units	Directors and supervisors dispatched by shareholding units				

Positions held in other units

√ Applicable □ Not applicable

Name	Unit name	Position	Term start date	Term end date	Remuneration and allowances collected
Liu Qingfeng	Beijing iFLYTEK Educational Technology Co., Ltd.	Chairperson	30 June 2014	27 August 2021	
Liu Qingfeng	Anhui Yanzhi Technology Co., Ltd.	Executive director	09 December 2019		
Liu Qingfeng	CAS Holdings Co., Ltd.	Director	05 July 2021		
Liu	Beijing Butel Technology Co., Ltd.	Director	29 December 2020		

Qingfeng					
Liu Qingfeng	Anhui iFLYTEK Healthcare Co., Ltd.	Chairperson	24 December 2021		
Liu Qingfeng	Anhui Yuangou Biotechnology Co., Ltd.	Director	04 March 2022		
Liu Xin	Mango Excellent Media Co., Ltd.	Director	19 September 2019	20 May 2024	
Wang Bing	Time Publishing and Media Co., Ltd.	Director	27 November 2015		No
Wang Bing	QuantumCTek Co., Ltd.	Director	25 May 2018		No
Wang Bing	CAS Quantumnet Co., Ltd.	Director	29 November 2016		No
Wang Bing	Glory China Quantum Lidar	Director	21 September 2017		No
Wang Bing	Chinainstru & Quantumtech (Hefei) Co., Ltd.	Director	26 December 2016		No
Wang Bing	Shandong Glory China Quantum Lidar	Director	26 July 2018		
Wu Xiaoru	Wuhan iFLYTEK Xingzhi Technology Co., Ltd.	Executive director	24 November 2017		
Wu Xiaoru	Beijing iFLYTEK Leizhixing Software Co., Ltd.	Director	29 December 2016		
Wu Xiaoru	Hefei iFLYTEK Reading and Writing Technology Co., Ltd.	Executive director	02 January 2019		
Wu Xiaoru	Anhui Oriental iFLY Corporation	Executive director	10 January 2017		
	Guangzhou iFLYTEK Yuchang Co.,	Executive director	16 November 2017		

Wu Xiaoru	Ltd.				
Wu Xiaoru	Beijing iFLYTEK Educational Technology Co., Ltd.	Director	30 June 2014	27 August 2021	
Wu Xiaoru	Anhui iFLYTEK Jiecheng Software Technology Co., Ltd.	Executive director	03 August 2016		
Wu Xiaoru	Anhui iFLYTEK Jiecheng Information Technology Co., Ltd.	Executive director	26 April 2016		
Wu Xiaoru	iFLYTEK South China Co., Ltd.	Supervisor	27 October 2015		
Wu Xiaoru	Beijing Huiji Zhiyi Technology Co., Ltd.	Executive director	05 June 2020	14 September 2021	
Wu Xiaoru	iFLYTEK Central China (Wuhan) Co., Ltd.	Executive director	11 December 2020		
Nie Xiaolin	Guangdong iFLYTEK Qiming Technological Development Co., Ltd.	Executive director	11 February 2020		
Nie Xiaolin	Beijing Liyun Popular Education Technology Co., Ltd.	Executive director	20 August 2021		
Nie Xiaolin	Beijing Chinese Education Hailan Information Technology Co., Ltd.	Chairperson	09 September 2021		
Jiang Tao	Beijing ZKD iFLYTEK Information Technology Co., Ltd.	Executive director	02 July 2010		
Jiang Tao	Tianjin iFLYTEK Information Technology Co., Ltd.	Executive director, manager	11 November 2011		
Jiang Tao	Zhongke iFLYTEK Interconnection (Beijing) Information Technology Co., Ltd.	Executive director	04 August 2016		
Jiang Tao	Beijing iFLYTEK Qiming Technology Co., Ltd.	Executive director	04 December 2014		

Jiang Tao	Sangfor Technologies	Executive director	28 December 2016	03 December 2022	No
Jiang Tao	Shanghai iFLYTEK Ruiyuan Information Technology Co., Ltd.	Chairperson	21 January 2020		
Jiang Tao	Xiong'an iFLYTEK AI Technology Co., Ltd.	Executive director	13 February 2018		
Jiang Tao	Tianjin Zhihui Valley Technological Service Co., Ltd.	Executive director	23 October 2017		
Jiang Tao	iFLYTEK Hebei Technology Co., Ltd.	Executive director	21 October 2016		
Jiang Tao	Hefei Feier Smart Technology Co., Ltd.	Director	15 June 2020		
Jiang Tao	Shenzhen iPanel Co., Ltd.	Director	24 December 2019		
Jiang Tao	Beijing Chinese-Foreign Translation & Information Service Co., Ltd.	Director	21 September 2020		
Jiang Tao	Beijing iFLYTEK Educational Technology Co., Ltd.	Executive director	27 August 2021		
Jiang Tao	Beijing iFLYTEK Jizhi Technology Co., Ltd.	Executive director	28 June 2021		
Jiang Tao	Beijing iFLYTEK Zhiying Technology Co., Ltd.	Executive director	28 December 2021		
Jiang Tao	Beijing iFLYTEK Dalai Technology Co., Ltd.	Executive director	03 March 2021		
Jiang Tao	Anhui iFLYTEK Healthcare Co., Ltd.	Director	24 December 2021		
Zhang Lan	CAS Quantumnet Co., Ltd.	Chairperson of the Board of Supervisors	29 November 2016		
Zhang Lan	QuantumCTek Co., Ltd.	Supervisor	02 August 2021		
Zhang Lan	Anhui Qasky Quantum Technology Co. Ltd.	Director	22 December 2020	21 December 2023	
	Origin Quantum Computing		31 December 2020	31 December 2023	

Zhang Lan	Technology Co., Ltd.	Director			
Wong Hongxing	Shanghai Zhifei Yuannian Technology Co., Ltd.	Director	24 November 2021		
Du Lan	iFLYTEK South China Co., Ltd.	Manager	27 October 2015		
Du Lan	Guangzhou Keyu Information Technology Co., Ltd.	Executive director and General Manager	23 February 2016		
Du Lan	iFLYTEK South China AI Research Institute (Guangzhou) Co., Ltd.	Executive director	25 December 2017		
Du Lan	Guangzhou Keyin Information Technology Co., Ltd.	Executive director and General Manager	20 November 2015		
Du Lan	Guangdong AIAD Technology Co., Ltd.	Chairperson	10 March 2016		
Du Lan	Guangzhou iFLYTEK ETS Network Technology Co., Ltd.	Chairperson	08 March 2016	26 July 2021	
Du Lan	Guangzhou Yitingshuo Investment Consulting Partnership (limited partnership)	Managing partner	16 February 2016		
Du Lan	Guangzhou iFLYTEK Superbrain Technology Co., Ltd.	Executive director and General Manager	29 May 2018		
Du Lan	Shenzhen iFLYTEK Smart Technology Co., Ltd.	Executive director	15 September 2017	27 October 2021	
Du Lan	BGI Genomics	Independent director	16 June 2021	15 June 2024	
Duan Dawei	Tianjin iFLYTEK Financing and Leasing Co., Ltd.	Chairperson, manager	05 November 2019		
Duan Dawei	Naji Investment Management (Shanghai) Co., Ltd.	Executive director and General Manager	14 December 2014		
	Anhui iFLYTEK Healthcare Co., Ltd.		24 December 2021		

Duan Dawei		Director			
Wang Ming	Tianjin iFLYTEK Financing and Leasing Co., Ltd.	Supervisor	05 November 2019		
Wang Ming	Guangzhou iFLYTEK ETS Network Technology Co., Ltd.	Supervisor	11 May 2020		
Wang Ming	Xinjiang Shenggu Rongchuang Digital Industrial Development Co., Ltd.	Supervisor	08 January 2021		
Wang Ming	Xinjiang Yiyu Shenggu Information Technology Co., Ltd.	Supervisor	12 December 2016		

Penalties imposed by securities regulators on the Company's incumbent and former directors, supervisors and senior management members in the last three years.

Applicable Not applicable

3. Remuneration of Directors, Supervisors and Senior Management Members

(1) Decision-making procedures, determination basis and actual payment of remuneration for directors, supervisors and senior management members

The Company has established a comprehensive performance appraisal system and remuneration system for directors, supervisors and senior management members. In order to enable the Company to establish an incentive and restraint mechanism in alignment with the modern enterprise system, motivate directors, supervisors and senior management members, and improve the performance of the Company's operations and management, the Company has formulated clear *Guidelines for Remuneration of Directors, Supervisors and Senior Management Members*. The remuneration of the Company's directors, supervisors and senior management members is based on the Company's scale and performance, and it is determined comprehensively in line with the Company's business plan and the responsibilities and performance goals of specific roles.

The remuneration of the Company's directors, supervisors and senior management members is determined in accordance with the following principles: adhering to the principle of combining performance-based pay with responsibilities, authority and interests of roles, so as to give full play to the incentive and restraint role of remuneration; Linking up remuneration with the Company's financial performance and business objectives while having market rates for reference; remuneration is determined with a view to ensuring sustained and stable development of the Company. The remuneration standards are established in accordance with the principles of openness, justice and fairness. Upon approval by the Remuneration Committee of the Board of Directors, special incentives or disciplinary programs may be temporarily set up for special matters as a supplement to the remuneration of directors, supervisors and senior management members serving in the Company.

The remuneration of directors and senior management members serving in the Company consists of three parts, namely, annual salary, bonus and benefits. Annual salary consists of annual base salary and annual performance pay. Supervisors serving in the Company are entitled to monthly supervisor allowances, in addition

to salaries and benefits based on their job grade and performance appraisal. If any adjustment needs to be made to the remuneration of independent directors based on market conditions or other needs, it shall be reviewed and decided at the shareholders' general meetings.

The Remuneration and Appraisal Committee of the Board of Directors is responsible for the remuneration management and performance appraisal of directors and senior management members. Board directors, supervisors and senior management members serving in the Company receive remuneration based on their job titles and roles, according to the Company's current remuneration policy. The annual bonus of aforementioned roles shall be determined at the end of the year through appraisal procedures based on the business performance with the approval from the Board of Directors or the General Meeting of Shareholders. The standards of allowances for independent directors and supervisors shall be reviewed by the Company's shareholders' General meeting; reasonable expenses incurred by independent directors in attending the Company's board meetings and shareholders' general meetings to perform their duties in accordance with the relevant provisions of the *Company Law* and the Company's *Articles of Association* shall be borne by the Company.

According to the Company's *Guidelines for Remuneration of Directors, Supervisors and Senior Management Members*, the annual base salary of the chairman of the Company in 2021 should be RMB33.2144 million [the Company's audited net profit for the year \times 2%]; the performance pay should be RMB 42.2349 million [(audited net profit for the current year – audited net profit for the previous year) \times 4%]; the chairman of the Company should receive a total annual compensation package of RMB75.4493 million. Taking into account the growth stage of the Company, and in order to better reward outstanding employees of Category A, Mr. Liu Qingfeng, Chairman of the Company, took the initiative to cut his annual salary and received an actual compensation of RMB5.6 million for 2021.

(2) Remuneration of Directors, Supervisors and Senior Management Members during the reporting period of the Company

Unit: RMB10000

Name	Job Title	Gender	Age	Service Status	Total Pre-tax Remuneration Received from the Company	Whether to Receive Compensation from Related Parties of the Company
Liu Qingfeng	Chairman	Male	48	Incumbent	560	
Liu Xin	Director	Male	50	Incumbent	2.4	Yes
Wang Bing	Director	Male	53	Incumbent	0	Yes
Wu Xiaoru	Director, President	Male	49	Incumbent	386	
Jiang Tao	Director, Vice President, Secretary of the Board of Directors	Male	47	Incumbent	270	
	Director, Vice		49		270	

Duan Dawei	President	Male		Incumbent		
Nie Xiaolin	Director, Vice President	Male	42	Incumbent	285	
Zhao Xudong	Independent Director	Male	62	Incumbent	8	
Zhao Xijun	Independent Director	Male	58	Incumbent	7.1	
Zhao Huifang	Independent Director	Female	69	Incumbent	8	
Liu Jianhua	Independent Director	Male	69	Incumbent	8	
Gao Lingling	Chairwoman of the Board of Supervisors	Female	59	Incumbent	2.4	Yes
Zhang Lan	Supervisor	Female	55	Incumbent	0	Yes
Dong Xueyan	Supervisor	Female	42	Incumbent	58.22	
Wang Hongxing	Supervisor	Male	45	Incumbent	180	
Lu Xueling	Supervisor	Female	32	Incumbent	82.94	
Du Lan	Vice President	Female	45	Incumbent	210	
Wang Ming	Finance Director	Female	42	Incumbent	90	
Hu Yu	Director, Vice President	Male	43	Resigned	150	
Chen Tao	Director, Vice President	Male	48	Resigned	200	
Zhang Benzhaohao	Independent Director	Male	58	Resigned	0.67	
Qian Jinping	Supervisor	Male	36	Resigned	61.57	
	--	--	--	--	2,840.30	--

Total	--	--	--	--		--
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VI. Directors' Performance during the Reporting Period

1. Meetings of the Board of Directors during the Reporting Period

Board Meeting Session	Date	Date of Disclosure	Meeting Resolutions
The Ninth Meeting of the Fifth Board of Directors	January 18, 2021	January 19, 2021	Announcement No.: 2021-003 Announcement: <i>Announcement on the Resolutions of the Ninth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Tenth Meeting of the Fifth Board of Directors	January 24, 2021	January 25, 2021	Announcement No.: 2021-012 Announcement: <i>Announcement on the Resolutions of the Tenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Eleventh Meeting of the Fifth Board of Directors	February 7, 2021	February 8, 2021	Announcement No.: 2021-017 Announcement: <i>Announcement on the Resolutions of the Eleventh Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Twelfth Meeting of the Fifth Board of Directors	April 18, 2021	April 20, 2021	Announcement No.: 2021-027 Announcement: <i>Announcement on the Resolutions of the Twelfth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Thirteenth Meeting of the Fifth Board of Directors	April 21, 2021	April 22, 2021	Announcement No.: 2021-042 Announcement: <i>Announcement on the Resolutions of the Thirteenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)

The Fourteenth Meeting of the Fifth Board of Directors	July 7, 2021	July 8, 2021	Announcement No.: 2021-055 Announcement: <i>Announcement on the Resolutions of the Fourteenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Fifteenth Meeting of the Fifth Board of Directors	July 18, 2021	July 20, 2021	Announcement No.: 2021-061 Announcement: <i>Announcement on the Resolutions of the Fifteenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Sixteenth Meeting of the Fifth Board of Directors	August 3, 2021	August 4, 2021	Announcement No.: 2021-066 Announcement: <i>Announcement on the Resolutions of the Sixteenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Seventeenth Meeting of the Fifth Board of Directors	August 23, 2021	August 24, 2021	Announcement No.: 2021-070 Announcement: <i>Announcement on the Resolutions of the Seventeenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Eighteenth Meeting of the Fifth Board of Directors	September 26, 2021	September 27, 2021	Announcement No.: 2021-074 Announcement: <i>Announcement on the Resolutions of the Eighteenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Nineteenth Meeting of the Fifth Board of Directors	October 26, 2021	October 27, 2021	Announcement No.: 2021-084 Announcement: <i>Announcement on the Resolutions of the Nineteenth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO (http://www.cninfo.com.cn)
The Twentieth Meeting of the Fifth Board of Directors	November 10, 2021	November 11, 2021	Announcement No.: 2021-089 Announcement: <i>Announcement on the Resolutions of the Twentieth Meeting of the Fifth Board of Directors</i> Disclosed on <i>Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily</i> and CNINFO

			http://www.cninfo.com.cn
The 21st Meeting of the Fifth Board of Directors	December 26, 2021	December 28, 2021	Announcement No.: 2021-101 Announcement: Announcement on the Resolutions of the 21st Meeting of the Fifth Board of Directors Disclosed on Securities Times, China Securities Journal, Shanghai Securities News, Securities Daily and CNINFO http://www.cninfo.com.cn

2. Directors' Attendance at Board Meetings and Shareholders' General Meetings

2. Directors' Attendance at Board Meetings and Shareholders' General Meetings							
Director's Name	Number of Board Meetings That the Director was Required to Attend during the Reporting Period	Number of Board Meetings That the Director Attended On-site	Number of Board Meetings That the Director Attended Virtually	Number of Board Meetings That the Director Appointed a Proxy to Attend	Number of Board Meetings That the Director Did Not Attend	Whether the Director Has Not Attended Two Consecutive Board Meetings in Person	Number of General Meetings of Shareholders That the Director Has Attended
Liu Qingfeng	13	12	1	0	0	No	4
Liu Xin	13	0	13	0	0	No	4
Wang Bing	13	12	1	0	0	No	4
Wu Xiaoru	13	11	2	0	0	No	4
Jiang Tao	3	1	2	0	0	No	4
Nie Xiaolin	13	12	1	0	0	No	4
Duan Dawei	3	3	0	0	0	No	4
Zhao Xudong	13	1	12	0	0	No	4
	11	1	10	0	0	No	3

Zhao Xijun							
Zhao Huifang	13	12	1	0	0	No	4
Liu Jianhua	13	10	3	0	0	No	4
Chen Tao (Resigned on September 26, 2021)	9	8	1	0	0	No	2
Hu Yu (Resigned on September 26, 2021)	9	6	3	0	0	No	2
Zhang Benzhaoy (Resigned on February 3, 2021)	2	1	1	0	0	No	1

3. Objections Raised by Directors on Matters Related to the Company

Is there any objection raised by any director on any matter related to the Company?

Yes No

No objection has ever been raised by any director on any matter related to the Company during the reporting period.

4. Other Notes on Directors' Performance

Was there any recommendation made by any director to the Company has been adopted?

Yes No

Notes on adopted or rejected recommendations made by directors to the Company

Board directors and independent directors of the Company perform their duties faithfully and diligently in strict accordance with the *Rules of Procedure for the Board of Directors*, *Articles of Association*, and *Rules on the Appointment of and Procedure for Independent Directors*. During the reporting period, directors and independent directors of the Company paid close attention to the Company's operations and management. Independent directors checked carefully over the Company's financial conditions, stock ownership incentive plan, non-public issuance, related-party transactions, external guarantees, the use and management of raised funds as well as other major issues. In addition, independent directors participated in the Company's decision-making, making objective, fair and independent judgments with their expertise, giving full play to the role of independent directors, and this has safeguarded the legitimate rights and interests of the Company, all shareholders, especially small and minority shareholders.

During the reporting period, directors of the Company actively offered advice and suggestions. The

Company has attached great importance to recommendations made by directors, adopted and fully implemented them. Main recommendations and information on implementation are as follows:

Recommendation 1: It is suggested that the Company fully implement the *Notice on Matters Concerning Promoting Listed Companies to Hold Business Performance Briefings* issued by the China Securities Regulatory Commission, and build a benchmark for performance briefings.

Information on implementation: The Company believes that performance briefings are key to investor relations management, and always insists on holding efficient and effective performance briefings. On April 20, 2021, with the strong support of the Shenzhen Stock Exchange, the Company successfully held its 2020 annual performance briefing in the listing ceremony hall of the Shenzhen Stock Exchange, and broadcast live online through various media outlets, including Panorama. iFLYTEK's 2020 annual performance briefing was awarded the "Best Practice Case of Public Companies' 2020 Annual Report Performance Briefings" by the China Association for Public Companies, and was taken as a benchmark in the Dedicated Training for Shenzhen-listed Companies on Performance Briefings organized by the Shenzhen Stock Exchange and the Dedicated Training for Public Companies' on Performance Briefings organized by the China Association for Public Companies, with both sessions designed to share best practices with Shenzhen-listed companies and other public companies in China.

Recommendation 2: It is suggested that the Company actively discuss and formulate the Company's medium and long-term development plan in the first year of China's 14th Five-Year Plan.

Information on implementation: In 2021, the Company pinpointed the goal of striving for "Artificial Intelligence 2.0" as follows: during China's "14th Five-Year Plan" period, the Company will strive to "become a leader in China's AI industry, connecting one billion users and realizing RMB100 billion in operating revenue and RMB1 trillion in ecosystem"; artificial intelligence will be an important engine to drive social progress in the coming ten years, and iFLYTEK based on 20 years of development has a technological research and development footprint covering most of the existing AI research fields. The Company's achievements in key core technologies of artificial intelligence are internationally advanced, such as voice interaction, machine vision and machine cognition. At the same time, iFLYTEK has achieved breakthroughs in the application of technologies in various industries, and in the design of software and hardware integration products. iFLYTEK has obtained the capability to conduct systematic innovations to address major social value propositions and rigid social demands. Against this background, in order to realize the long-term vision of "becoming a leader in the AI industry worldwide", the Company launched the "IFLYTEK Super Brain 2030 Program" at its 2022 annual meeting at the beginning of 2022, and set three milestones for the Program: in the first stage (2022-2023), the Company will launch robots that integrate software and hardware, such as interactive companion pets and bionic robot dogs with motion, as well as the family of professional virtual humans to serve as teachers and doctors, etc.; in the second stage (2023-2025), the Company will launch walking exoskeleton robots and the family of companion virtual humans. The elderly can walk and exercise normally with the exoskeleton robot. In the meanwhile, the Company will launch a depression screening platform for teenagers; in the third stage (2025-2030), the Company will roll out companion robots that have knowledge and know how to study and the family of independent-learning virtual humans for families.

VII. Special Committees of the Board of Directors during the Reporting Period

Committee Name	Members	Number of Meetings Held	Date	Meeting Agenda	Important Comments and Suggestions Made	Other Duties Performed
Strategy Committee	Liu Qingfeng, Liu Xin, Wang Bing, Jiang Tao, Zhao Xijun	3	April 7, 2021	To review the <i>Proposal on the Non-public Issuance of the Company's Shares, Emergency Response Plan for 2021 Non-public Issuance of Shares and Feasibility Analysis Report on the Use of Funds Raised Through 2021 Non-public Issuance of Shares</i>	Agreed	
			August 2, 2021	To review the <i>Proposal on Planning for the Spin-off and Listing of Controlled Subsidiaries</i>	Agreed	
			December 19, 2021	To review the <i>Proposal on Signing the Investment and Cooperation Agreement and Outbound Investments</i>	Agreed	
Audit Committee	Zhao Huifang, Zhao Xudong, Duan Dawei	4	April 7, 2021	To review the 2020 <i>Special Report on the Deposit and Use of Raised Funds, Proposal on the Company's Related-Party Transactions, Proposal on Special Explanation on the Occupation of Funds of Controlling Shareholders and Other Related Parties, Internal Control Evaluation Report, Audit and Supervision Department's 2020 Work Summary and Annual Work Plan for 2021, Proposal on Hiring RSM China (Special General Partnership) as the Company's 2020 Annual Auditor, and The Company's 2020 Annual Report</i>	Agreed	To discuss AI-driven digitization to help audit
			April 18, 2021	To review the <i>Report on Q1 of 2021, Proposal on the Special Report on the Deposit and Use of Raised Funds, Special Explanation on the Occupation of Funds of Related Parties, and Report on the Audit Project of the Audit and Supervision Department in the First Half of 2021</i>	Agreed	
			August 22, 2021	To review the <i>Semi-annual Report 2021, Proposal on the Special Report on the Deposit and Use of Raised Funds, Special Explanation on the Occupation of Funds of Related Parties, and Report on the Audit Project of the Audit and Supervision Department in the First Half of 2021</i>	Agreed	To discuss the implementation of audit facilitated by AI-driven digitization

			October 20, 2021	To review the <i>Report on Q3 of 2021, Proposal on the Special Report on the Deposit and Use of Raised Funds, Special Explanation on the Occupation of Funds of Related Parties, and Report on the Audit Project of the Audit and Supervision Department in the Third Quarter of 2021</i>	Agreed	
Nomination Committee	Zhao Xudong, Liu Jianhua, Liu Qingfeng	2	January 23, 2021	To review the <i>Proposal on By-election of Mr. Zhao Xijun as an Independent Director of the Fifth Board of Directors of the Company</i>	Agreed	To build a talent pool of independent directors
			September 25, 2021	To review the <i>Proposal on By-election of Independent Directors of the Fifth Board of Directors of the Company</i>	Agreed	
Remuneration and Appraisal Committee	Zhao Xijun, Liu Jianhua, Wu Xiaoru	4	April 7, 2021	To review the <i>Proposal on the Remuneration of Directors, Supervisors and Senior Management Members in 2020, Proposal on Repurchase and Cancellation of Part of Granted Restricted Shares, and Proposal on Meeting Conditions for Lifting Restrictions on the Third Release Period of the Initial Grant of Restricted Stocks in the Incentive Plan</i>	Agreed	
			July 13, 2021	To review the <i>Proposal on Meeting Conditions for Lifting Restrictions on the Third Release Period of the Reserved Parts of the First Phase of Restricted Stocks in the Incentive Plan</i>	Agreed	
			September 17, 2021	To review the <i>Proposal on iFLYTEK Corporation 2021 Stock Option and Restricted Stock Incentive Plan (Draft) and Its Summary and the Administrative Measures for the Implementation of the 2021 Stock Option and Restricted Stock Incentive Plan of iFLYTEK Corporation</i>	Agreed	Special Research on Stock Incentive and Remuneration Competitiveness in the Industry
			November 5, 2021	To review the <i>Proposal on Adjusting the Repurchase Price of Restricted Stocks in the Second Restricted Stock Incentive Plan and Repurchase and Cancellation of Part of Granted Restricted Stocks and the Proposal on Meeting Conditions for Lifting Restrictions on the First Release Period of the Restricted Stocks in the Second Restricted Stock Incentive Plan</i>	Agreed	

VIII. Work of the Board of Supervisors

Whether the Board of Supervisors in the supervision of activities during the reporting period identified particulars on risks.

Yes No

The Board of Supervisors had no objection to the supervision matters during the reporting period.

IX. Employees of the Company

(1) Number of employees, specialties and education backgrounds

Number of employees on the payroll of the parent company at the end of the reporting period (person)	5,203
Number of employees on the payroll of major subsidiaries at the end of the reporting period (person)	9,104
Total number of employees on the payroll at the end of the reporting period (person)	14,307
Total number of employees receiving remuneration in the current reporting period (person)	15,322
Number of retired employees for whom the parent company and major subsidiaries need to bear the expenses (person)	0
Specialties	
Specialty role	Number of employees
Production staff	0
Sales staff	3,879
Technical staff	8,367
Finance staff	227
Administration staff	513
Managerial staff	218
Others	1,103
合计 Total	14,307
Education backgrounds	
Education level	Number of employees
Doctorate degree or above	116
Master's degree	3,734
Bachelor's degree	9,550
Associate degree or below	907

Total	14,307
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(2) Remuneration policy

iFLYTEK advocates a labor policy based on compliance with laws and regulations, equality and free will, and strictly abides by the *Labor Law of the People's Republic of China*, *Labor Contract Law of the People's Republic of China*, *Social Insurance Law of the People's Republic of China*, and *Law on the Protection of Women's Rights and Interests of the People's Republic of China*, as well as other relevant laws and regulations, making great efforts in respecting and protecting the legitimate rights and interests of employees, paying close attention to the health and safety of employees, and respecting labor, knowledge and value creation.

In 2021, the Company optimized the structure and proportion of remuneration of employees according to the characteristics of competition in the industry, and it has made the Company's remuneration structure more reasonable. Focus was put on the following work:

1) A transparent and efficient performance evaluation system

In the design of the performance evaluation system, the Company follows the basic principle of "dynamic interconnection, flexibility and transparency", and has established a transparent and efficient performance evaluation system to evaluate employees' performance on a regular basis, so that employees can fully understand how well their capabilities match their job responsibilities, with a view to providing solid support to employees in their pursuit of continuous growth.

Dynamically interconnected organizational evaluation

The Company has been perfecting the talent and organization interconnected evaluation mechanism based on the quarterly performance of each department and has further refined each department's quarterly goals and corresponding management mechanisms in alignment with the Company's annual business goals and on the basis of organizational performance management, and has established a mechanism of dynamic interconnection between organizational performance and employees' performance pay. This is designed to strengthen the organizational performance management throughout the process, so as to ensure that organizational goals are achieved while providing employees with more flexible incentives.

Flexible and transparent employee performance evaluation

Based on a complete and goal-oriented performance process, the Company is establishing an employee performance evaluation system featured by goal-focused, two-way feedback between superiors and subordinates, and full application of evaluation results to ensure fairness in evaluating individual performance.

Efforts have been made to establish an open and transparent performance evaluation system through information disclosure, internal audit and other methods, so as to improve employees' capabilities of managing their personal performance. The performance appraisal mechanism based on administrative organizations is being changed, and project management requirements are linked to the performance appraisal. By doing so, flexible performance appraisal can be completed. By strengthening the dynamic relationship between performance results and performance-based compensation, performance will become the main indicator for value distribution.

2) A remuneration incentive system by all and for all

Consistent with the Company's business and operations, the Company has established a stock ownership incentive and remuneration incentive and restraint mechanism featured by generating revenues by all and for all, so as to ensure the sustainable and healthy development of the Company.

As for remuneration design, the Company advocates the principle of generating revenues by all and for all and encourages employees to feel the benefits brought by business growth through their own hard work. Through

a simple and clear comprehensive remuneration structure, the matching of rank and remuneration is established, so that each employee can clearly understand the relationship between personal contribution and compensation incentives, and the Company tries to ensure fairness in the following three aspects as much as possible when designing remuneration incentives:

Firstly, ensure external equity, i.e., salary competitiveness versus the market. The Company conducts external salary surveys on a regular basis every year and determines the Company's remuneration standards and the basis for adjustment according to the survey results.

Secondly, ensure internal equity, and determine the salary standards for different positions according to the value evaluation of positions.

Finally, ensure that individual performance is fairly reflected by remuneration. Employee compensation is linked to individual performance, meaning more pay for better performance.

In order to further improve the initiative and creativity of the Company's management and employees, and to promote the Company's continuous growth, the Company improves the incentive mechanism through the implementation of the stock ownership incentive plan, with a view to achieving the common development of employees and the Company while enhancing the Company's value. The Company's 2021 stock option and restricted stock incentive plan grants 1,683,000 stock options to 70 employees and 24,249,200 restricted shares to 2,240 employees. By implementing stock ownership incentives that match the intensity of competition in the industry, effective to attract and retain outstanding talent, the initiative of the Company's management and core technical/business personnel is fully mobilized.

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3: Industry Information Disclosure*.

The Company's total employee compensation included in the total operating costs in the current period was RMB3,517.631 million, accounting for 20.08% of the total operating costs. The Company's profit is sensitive to changes in the total employee compensation.

In 2021, the number of core technical staff of the Company accounted for 10.92% of the total number of employees on the payroll, a 1.17% decrease from the 12.09% in 2020. The remuneration of core technical staff of the Company accounted for 16.82% of the total employee remuneration, a decrease of 0.05% from the 16.87% in 2020.

3. Training plan

iFLYTEK follows its core philosophy of "helping employees achieve ideals and creating value for society" and its outlook on talent, i.e., "talent is the Company's greatest asset, and the appreciation of talent is the most important dimension in the appreciation of the Company". The Company always sees talent as its most important resources and strives to build and continuously improve the talent management system, aiming to establish a sound talent development system. In order to establish and improve the internal talent development structure, the Company continues to improve its rapid talent development system by establishing and improving the job qualification framework, combining employees' growth with business development, establishing a benign back-and-forth flow and job rotation mechanism, cultivating more comprehensive talent, and pursuing the common success of the Company and employees.

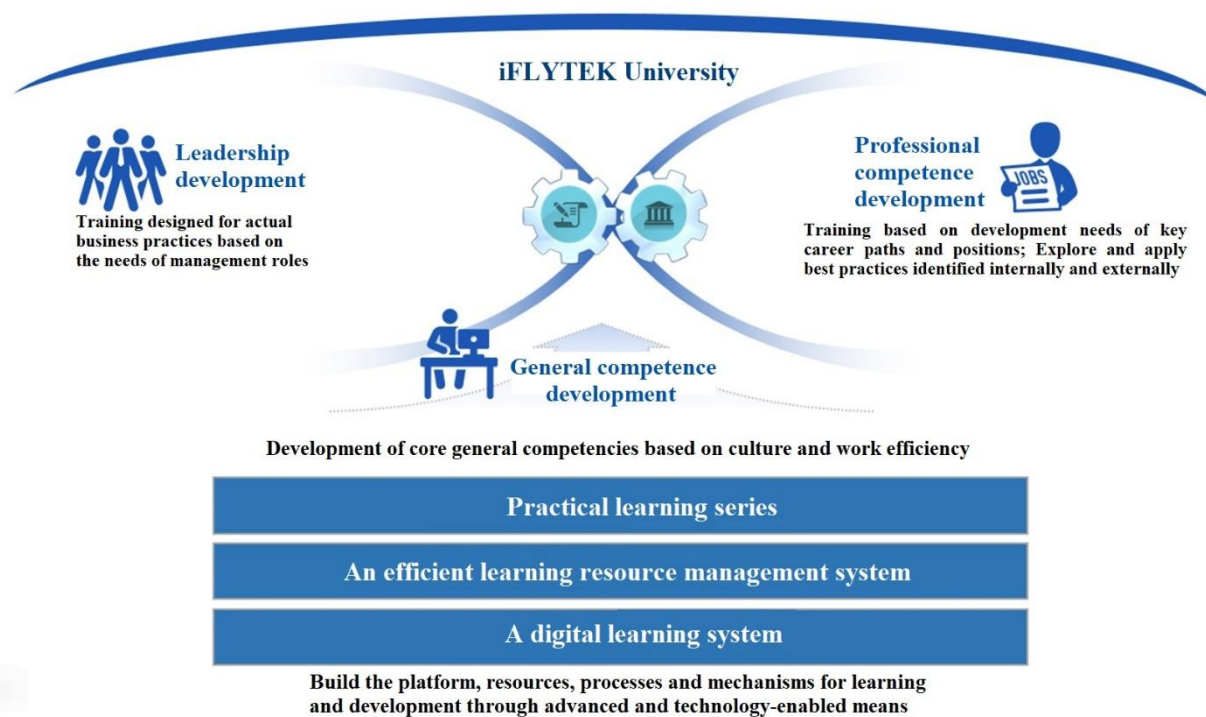
1) Clear career paths

The Company continues to improve career paths of employees, optimizes the job qualification system, and rolled out more than 30 career paths, covering operation management, products, technology, algorithm research,

project management, etc., and continuously improves the supporting learning system to help employees in their career development. Employees can choose to pursue career development vertically and become industry experts based on their actual situation, or they can pursue development opportunities horizontally based on the Company's needs and become inter-disciplinary talent by accumulating expertise and experience for different career paths.

2) An established learning and training system

To drive the Company's business development and employees' personal growth, the Company has established a hierarchical and role-based talent development system and has been continuously improving it. A variety of talent development programs have been launched. Those programs involve training sessions for all aspects, including leadership, know-how, general knowledge and skills, covering many roles such as experienced professionals, fresh graduates, business experts, and management personnel, etc. To meet the Company's and employees' development needs, in addition to continuously leveraging internal trainers, the Company has also been vigorously bringing in external high-quality learning resources to provide platforms and resources for employee development, improving employees' capabilities and promoting their overall development.



3) An efficient mechanism for accelerated growth

To further motivate employees to pursue personal development, and to develop outstanding talent faster, the Company has adopted a wide range of development measures. In October 2021, the Company issued the *Core Philosophy and Basic Principles of Management Personnel Administration* to align the Company's management personnel administration with unified standards, specify the missions and responsibilities of management personnel, determine the qualification standards for management personnel, and improve relevant mechanisms covering management personnel selection, appointment and development, etc. Meanwhile, the Company has formed a "continuous source" of talent supply based on a comprehensive talent development system enabled by the setup of teams of potential successors at all levels. In addition, the Company has also established an internal job rotation mechanism to ensure the accelerated development of talent enabled by job rotation experience. In 2021, a large number of staff members were transferred from back-end research and development (R&D)

positions to front-end positions such as product lines and business lines. Greater efforts will be made in 2022 to facilitate the talent flow between front-end and back-end positions to efficiently develop a large number of inter-disciplinary professionals.

4. Labor outsourcing

Applicable Not applicable

Total work hours for labor outsourcing (hour)	688,121.28
Total pay for labor outsourcing (RMB)	39,772,394.32

X. The Company's Profit Distribution and Conversion of Capital Reserve into Share Capital

The formulation, implementation or adjustment of the profit distribution policy, especially the cash dividend policy, during the reporting period

Applicable Not applicable

Since its listing, the Company has always attached great importance to rewarding investors, and has clearly stipulated provisions on cash dividends in the *Articles of Association* under the premise of ensuring the Company's sustainable development.

In order to ensure a reasonable, sustainable and stable shareholder return mechanism, increase the transparency and operability of the decision-making on profit distribution policy, and effectively protect the legitimate rights and interests of investors, the Company made the "Shareholder Return Plan for the Next Three Years (2021-2023)" (hereinafter referred to as the "Plan") in accordance with the *Company Law*, the "Notice on the Further Implementation of Issues Concerning Cash Dividends of Listed Companies" and the "Guidelines for the Supervision of Listed Companies No. 3 - Cash Dividends of Listed Companies" issued by the China Securities Regulatory Commission, as well as other relevant laws, regulations, normative documents and the relevant provisions of the Company's *Articles of Association*, based on the actual situation of the Company. The Plan was reviewed and approved at the Company's first extraordinary general meeting in 2021.

Special explanation on cash dividend policy	
Whether it complies with the Company's <i>Articles of Association</i> or the resolutions of the shareholders' general meeting:	Yes
Whether the dividend payout standard and ratio are clear and explicit:	Yes
Whether the relevant decision-making procedures and mechanisms are complete:	Yes
Whether independent directors have performed their duties and played their due roles:	Yes
Whether minority shareholders have the opportunity to fully express their opinions and voice demands, and whether their legitimate rights and interests are fully protected:	Yes

Whether the terms and conditions and procedures are compliant and transparent if the cash dividend policy is adjusted or changed:	Yes
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The Company was profitable during the reporting period and the parent company's profit available for distribution to shareholders was positive, but no cash dividend distribution plan was proposed.

Applicable Not applicable

Profit distribution and conversion of capital reserve into share capital during the reporting period

Applicable Not applicable

Number of bonus shares for every 10 shares (share)	0
Dividend per 10 shares (RMB) (tax included)	1.00
Equity base of the distribution plan (share)	2,324,325,245
Amount of cash dividends (RMB) (tax included)	232,432,524.50
Amount of alternatives to cash dividends (such as share repurchase) (RMB)	0.00
Total cash dividends (including alternative forms) (RMB)	232,432,524.50
Distributable profits (RMB)	469,875,998.25
Proportion of total cash dividends (including alternative forms) to distributable profits	100%

Cash dividends during the reporting period

If the Company is at its mature development stage and major capital expenditure has been planned, the proportion of cash dividends in the distributable profit should be at least 40%.

Detailed description of profit distribution or the capital reserve conversion plan

Based on the total share capital of 2,324,325,245 by March 31, 2022, a dividend of RMB1.00 (tax included) is distributed to all shareholders for every 10 shares, and the remaining undistributed profits will not be distributed for the time being. There are no bonus shares. During the period from the time the Board of Directors reviewed the profit distribution plan to the date of equity registration for the implementation of the profit distribution plan, if the Company's total share capital changes due to the restricted stock incentive plan or any other reasons, the implementation shall be based on the total share capital on the equity registration date when the distribution plan is implemented in the future, and the above payout ratio should be kept unchanged while adjusting the total amount.

XI. Implementation of the Company's Stock Ownership Incentive Plan, Employee Stock Ownership Plan or Other Employee Incentive Measures

Applicable Not applicable

1. Stock ownership incentive

On 18 April 2021, at the Twelfth Meeting of the Fifth Board of Directors and the Eighth Meeting of the Fifth Board of Supervisors, the *Proposal on Repurchase and Cancellation of Part of Granted Restricted Shares* was reviewed and approved. Since some employees have lost the eligibility for the restricted stock incentives due to

resignation or other reasons, the Company will repurchase and cancel the corresponding parts of the restricted shares that have been granted to aforementioned employees but have not yet been released. For details, please refer to the *Announcement on Repurchase and Cancellation of Part of Granted Restricted Shares* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 20 April 2021.

On 18 April 2021, at the Twelfth Meeting of the Fifth Board of Directors, the *Proposal on Meeting Conditions for Lifting Restrictions on the Third Release Period of the Initial Grant of Restricted Stocks in the Incentive Plan* was reviewed and approved. According to relevant provisions of the *Restricted Stock Incentive Plan (Draft) and Summary*, the conditions for lifting the restrictions on the third release period of the initial grant of restricted stocks in the Company's restricted stock incentive plan have been fulfilled. For details, please refer to the *Announcement on Meeting Conditions for Lifting Restrictions on the Third Release Period of the Initial Grant of Restricted Stocks in the Incentive Plan* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 20 April 2021.

On 20 May 2021, those shares released from the third release restriction period in the initial grant of the Company's first phase of restricted stock incentive plan were listed and circulated. The number of shares released from restrictions this time was 35,853,180, accounting for 1.6116% of the Company's total share capital at that time. The number of people whose shares were released from restrictions this time was 760. For details, please refer to the *Indicative Announcement on Shares Released from the Third Release Restriction Period in the Initial Grant of the Company's First Phase of Restricted Stock Incentive Plan Being Listed and Circulated* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on May 18, 2021.

On 28 May 2021, the repurchase and cancellation of parts of granted restricted shares of the Company's incentive plan was completed. After the completion of the repurchase and cancellation, the total number of shares of the Company was changed from 2,224,737,717 to 2,224,132,297. For details, please refer to the *Announcement on the Completion of Repurchase and Cancellation of Part of Granted Restricted Shares* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 29 May 2021.

On 18 July 2021, at the Fifteenth Meeting of the Fifth Board of Directors, the *Proposal on Meeting Conditions for Lifting Restrictions on the Third Release Period of the Reserved Parts of Restricted Stocks in the Incentive Plan* was reviewed and approved. According to relevant provisions of the *Restricted Stock Incentive Plan (Draft) and Summary*, the conditions for lifting the restrictions on the third release period of the reserved parts of restricted stocks in the Company's restricted stock incentive plan have been fulfilled. For details, please refer to the *Announcement on Meeting Conditions for Lifting Restrictions on the Third Release Period of the Reserved Parts of Restricted Stocks in the Incentive Plan* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 20 July 2021.

On 17 August 2021, those shares released from the third release restriction period in the reserved parts of the Company's first phase of restricted stock incentive plan were listed and circulated. The number of shares released

from restrictions this time was 3,638,400, accounting for 0.1582% of the Company's total share capital at that time. The number of people whose shares were released from restrictions this time was 354. For details, please refer to the *Indicative Announcement on Shares Released from the Third Release Restriction Period of the Reserved Parts of the Company's First Phase of Restricted Stock Incentive Plan Being Listed and Circulated* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 13 August 2021.

On 26 September 2021 and 13 October 2021, the *Proposal on the Company's Stock Options and Restricted Stock Incentive Plan (Draft) and Summary* was reviewed and approved respectively at the Eighteenth Meeting of the Fifth Board of Directors of the Company and the Company's second extraordinary general meeting in 2021.

On 26 October 2021, the *Proposal on Granting Stock Options to Employees Enrolled in the 2021 Stock Options and Restricted Stock Incentive Plan* was reviewed and approved at the Nineteenth Meeting of the Company's Fifth Board of Directors. As determined by the Company's Board of Directors, the options this time were granted on 26 October 2021. A total of 1,683,000 shares were granted to 70 people at a price of RMB52.95 per share. For details, please refer to the *Announcement on Granting Stock Options to Employees Enrolled in the 2021 Stock Options and Restricted Stock Incentive Plan* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 27 October 2021.

On 4 November 2021, the registration of granted stock options of the Company's 2021 Stock Options and Restricted Stock Incentive Plan was completed. For details, please refer to the *Announcement on Completion of Registration of Granted Stock Options of the Company's 2021 Stock Options and Restricted Stock Incentive Plan* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 6 November 2021.

On 10 November 2021, the *Proposal on Adjusting the Repurchase Price of Restricted Stocks in the Second Restricted Stock Incentive Plan and Repurchase and Cancellation of Part of Granted Restricted Stocks* was reviewed and approved at the Twentieth Meeting of the Fifth Board of Director of the Company. Since some employees enrolled in the second phase of the Restricted Stock Incentive Plan had been elected as supervisors or resigned, the Company planned to repurchase and cancel the corresponding part of the 449,300 restricted shares that had been granted to those employees but had not been released. Meanwhile, due to the 2020 annual dividend distribution, the Company adjusted the repurchase price of shares included in the second phase of the restricted stock incentive plan to RMB18.08 per share, according to the relevant rules of the Company's *Second Phase of Restricted Stock Incentive Plan (Draft)*. For details, please refer to the *Announcement on the Adjustment of the Repurchase Price of Shares in the Second Phase of Restricted Stock Incentive Plan and the Repurchase and Cancellation of Part of Granted Restricted Shares* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 11 November 2021. At the same time, the *Proposal on Meeting Conditions for Lifting Restrictions on the First Release Period of the Grant of Restricted Stocks in the Second Restricted Stock Incentive Plan* was reviewed and approved at the Twentieth Meeting of the Fifth Board of Directors of the Company. According to the relevant provisions of the Company's *Second Phase of Restricted Stock Incentive Plan (Draft)*, the conditions for lifting restrictions on the

first release period of the grant of restricted stocks in the Second Restricted Stock Incentive Plan have been fulfilled. For details, please refer to the *Announcement on Meeting Conditions for Lifting Restrictions on the First Release Period of the Grant of Restricted Stocks in the Second Restricted Stock Incentive Plan* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 11 November 2021.

On 10 November 2021, the *Proposal on Adjusting the List of Recipients Eligible for Restricted Shares and Numbers of Shares to be Granted in the 2021 Stock Options and Restricted Stock Incentive Plan* was reviewed and approved at the Twentieth Meeting of the Fifth Board of Directors of the Company. Due to the resignation of 8 recipients who were originally eligible for restricted shares as part of the incentive plan and 3 recipients waiving their rights to purchase all restricted shares they were eligible for due to their fund shortage or other personal reasons, the Board of Directors of the Company adjusted the equities forfeited by the above 11 incentive recipients among the rest of incentive recipients, and allocated relevant shares to incentive recipients on the original incentive recipients list excluding directors, supervisors and senior management members. The number of restricted stock incentive recipients in this incentive plan has adjusted from 2,264 to 2,253 accordingly, and the total number of restricted shares granted remains unchanged. At the same time, the *Proposal on Granting Restricted Shares to Recipients in the 2021 Stock Options and Restricted Stock Incentive Plan* was reviewed and approved at the Twentieth Meeting of the Fifth Board of Directors of the Company. As determined by the Company's Board of Directors, the restricted shares this time were granted on 10 November 2021. A total of 24,320,200 shares were granted to 2,253 recipients.

On 15 December 2021, those shares released from the first release restriction period in the Company's second phase of restricted stock incentive plan were listed and circulated. The number of shares released from restrictions this time was 7,855,020, accounting for 0.3414% of the Company's total share capital at that time. The number of incentive recipients whose shares were released from restrictions this time was 1,804. For details, please refer to the *Indicative Announcement on Shares Released from the First Release Restriction Period of the Company's Second Phase of Restricted Stock Incentive Plan Being Listed and Circulated* published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on 14 December 2021.

On 15 December, 2021, restricted shares of the Company's 2021 Stock Options and Restricted Stock Incentive Plan were granted and listed. A total of 24,249,200 shares, accounting for 1.0540% of the Company's total share capital of 2,300,525,300 shares before the grant, were granted to 2,240 incentive recipients. For details, please refer to the "Announcement on Completion of Granting of Stock Options and Restricted Shares of the Company's 2021 Stock Options and Restricted Stock Incentive Plan" published by *Securities Times*, *China Securities Journal*, *Shanghai Securities News*, *Securities Daily* and CNINFO (<http://www.cninfo.com.cn>) on December 14, 2021.

The Company's restricted stock incentive plan has played a positive role in retaining key staff members and the turnover rate of incentive recipients is much lower than the average level of the artificial intelligence (AI) industry. None of the key staff members who have been granted more than 100,000 shares as part of the incentive

plan has left the Company, enabling the Company to maintain stability of high-end talent repository in heated competition for talents.

Incentive Stock Options for Directors and Senior Management Members of the Company

√ Applicable □ Not applicable

Unit: Share

Name	Job title	Number of stock options held at the beginning of the year	Number of newly granted stock options during the reporting period	Number of exercisable option shares during the reporting period	Number of option shares exercised during the reporting period	Exercise price of the shares exercised during the reporting period (RMB/share)	Number of stock options held at the end of the reporting period	Market price per share at the end of the reporting period (RMB/share)	Number of restricted shares held at the beginning of the reporting period	Number of unlocked restricted shares in the current reporting period	Number of newly granted restricted shares during the reporting period	Grant price of restricted shares (RMB/share)	Number of restricted shares held at the end of the reporting period
Hu Yu	Vice President								2,490,000	2,490,000			
Wu Xiaoru	President								2,400,000	2,400,000			
Chen Tao	Vice President								2,400,000	2,400,000			
Jiang Tao	Vice President								2,328,000	2,328,000			
Nie Xiaolin	Vice President								2,076,000	2,076,000			
Zhang Shaobing	Finance Director (resigned after								696,000	696,000			

	end of term)												
Du Lan	Vice President								300,000	300,000	100,000	26.48	100,000
Duan Dawei	Director, Vice President								300,000	90,000	200,000	26.48	410,000
Wang Ming	Finance Director								60,000	18,000	70,000	26.48	112,000
Total	--	0	0	0	0	--	0	--	13,050,000	12,798,000	370,000	--	622,000

Performance Evaluation Mechanism of and Incentives for Senior Management Members

In order to establish an incentive and restraint mechanism in alignment with the modern enterprise system, motivate directors, supervisors and senior management members, and improve the performance of the Company's operations and management, the Company has formulated clear *Guidelines for Remuneration of Directors, Supervisors and Senior Management Members* upon the review and approval by the shareholders' meeting. According to the Guidelines, the remuneration of the Company's directors, supervisors and senior management members is based on the Company's business scale and performance, and is determined comprehensively in line with the Company's business plan and the responsibilities and performance of specific roles. The remuneration of directors, supervisors and senior management members adheres to the principle of combining performance-based pay with rights and obligations, so as to bring the incentive and restraining force of remuneration into effect; Remuneration plans are set with the Company's financial performance and business objectives while having market rates for reference, and determined with a view to ensuring sustained and stable development of the Company. The remuneration standards are established in accordance with the principles of openness and fairness. The Remuneration and Appraisal Committee of the Board of Directors evaluates the performance of directors and senior management members and determines their remuneration.

2. Implementation of the employee stock ownership plan

Applicable Not applicable

3. Other employee incentive programs

Applicable Not applicable

iFLYTEK's perspective on talent is based on recognizing that "talent is the greatest asset to the Company and talent development is the most important dimension of the Company's growth". The Company always follows its core philosophy of "helping employees achieve ideals and creating value for society", striving to provide employees with development opportunities to achieve career success and community respects while enabling employees to share the benefits of the Company's growth through mechanisms of "generating revenues by all and for all" and incremental performance management.

The Company has been perfecting the employees and organization resonance mechanism based on the quarterly performance reviews of each department, and has been further refining the quarterly goals of each department and corresponding management mechanisms in alignment with the Company's annual business goals, and has established a dynamic connection between organizational performance and employees' merit-based salary system. Processes are streamlined to enhance organizational performance management and ensure that organizational goals are achieved while providing employees with more flexible incentives.

Based on a complete and goal-oriented performance process, the Company is establishing a goal-focused employee performance evaluation system featured by two-way feedback between employees and their supervisors, feedback and results are well documented and fully examined to ensure fairness in evaluating individual performance. Efforts have been made to establish an open and transparent performance evaluation system through information disclosure, internal audit and other methods, so as to improve employees' capabilities of managing their personal performance. The traditional performance review mechanism based on administrative organizations is being changed to introduce project management requirements and bring more flexibility into the appraisal. By strengthening the dynamic relationship between performance results and performance-based compensation, performance becomes the main indicator for value distribution.

As for remuneration system and design, the Company advocates the principle of generating revenues by all and for all, and encourages employees to reach for the benefits brought by business growth through their own hard work. Through a simple and clear remuneration structure with matching job grades, each employee can clearly understand the relationship between personal contribution and compensation incentives, and the Company tries to ensure fairness in the following three aspects when designing remuneration incentives: firstly, external equity, i.e., salary competitiveness versus the market. The Company conducts external salary surveys on a regular basis every year, and determines the Company's remuneration standards and the basis for adjustment according to the survey results; secondly, internal equity, the Company determines the salary standards for different positions according to the value evaluation of those positions; finally, the Company tries to ensure that individual performance is fairly reflected by remuneration. Employee compensation is linked to individual performance, meaning an accurate reflection of the work contributed.

The Company is required to comply with the disclosure requirements for the software and information technology services industry as stated in the *Guidelines of Shenzhen Stock Exchange for Self-discipline Regulation of Listed Companies No. 3: Industry Information Disclosure*.

The Company allocated RMB134.8802 million for stock ownership incentives classified as accrued expenses, accounting for 8.67% of the net profit attributable to shareholders of the listed company. RMB71.3502 million

was used on stock option incentives for key tech personnel, accounting for 52.90% of the Company's stock option incentives in the current reporting period.

XII. Establishment and Implementation of the Internal Control System during the Reporting Period

1. Establishment and Implementation of the Internal Control System

The Company attaches great importance to the establishment and improvement of an internal control system, and acts in full accordance with the enterprise internal control standards to refine business processes, accurately identify and evaluate internal and external risks faced by the Company, improve internal control measures, optimize information systems, strengthen internal supervision, regularly conduct internal control self-assessment and improve the internal control system. Based on the actual situation of the Company, the Company has formulated a series of policies, including the *Internal Control Policy*, *Internal Audit Policy*, *Policy on Making Major Operational Decisions*, *External Investment Management Policy*, *Administrative Measures for External Financial Assistance*, *Administrative Measures for Fundraising*, *Related-Party Transaction Policy*, *Significant Information Internal Reporting Policy*, *Seal Management Regulations*, and *Fund Management Policy*, and strictly implement the internal control guidelines for listed companies to maintain standardized corporate management.

Based on iFLYTEK's competitiveness in its world-leading artificial intelligence (AI) technology, the Company actively adopts AI to empower internal control. The Company has applied AI in integrating information and data from different systems within the Company and has been using risk models and algorithms to automate most of the internal control processes, further improving the accuracy, efficiency and intelligence of internal control. Digital audit has been applied in employee self-service expense reimbursement, making automatic problem identification possible, forming a relatively sophisticated problem prevention and control system for employees expense reimbursement.

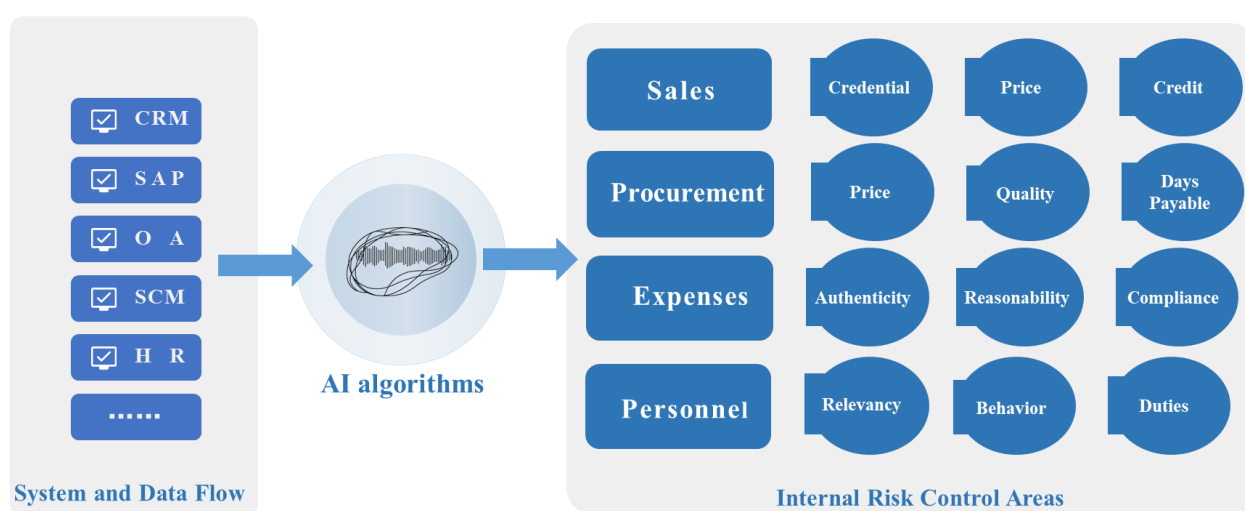


Figure AI-empowered Internal Control

The Company sets up functional departments according to the actual needs of operation and management. As designed, each department has clear work scopes and responsibilities, continuously establishes and optimizes systems and processes according to business development and is responsible for the actual transformation and implementation. Each department provides guidance, supervision and support to branches and controlled subsidiaries, and carry out rectification when problems are identified. The work scope, responsibilities and objectives of each branch, controlled subsidiary, and position are clearly defined, delegation, inspection and accountability mechanisms are established, with appropriate authorization and clear responsibilities at all levels, to ensure that functions are performed within the scope of authorization.

In order to strengthen the management of subsidiaries, establish an effective control mechanism, conduct risk control on the organization, resources, assets, investment, operation and other aspects of the listed company, and improve the overall operational efficiency and anti-risk capability of the listed company, the Company has formulated the *Regulations on the Management of Controlled Subsidiaries* covering the governance, day-to-day operation, financial management, business and investment decision-making, significant information reporting, internal audit supervision and inspection, human resources management, performance appraisal and management of controlled subsidiaries. The Company centralizes financial management, and assigns directors, supervisors and senior management members to oversee controlled subsidiaries. The Company manages the businesses of controlled subsidiaries by defining the responsibilities and obligations of the assigned directors and supervisors. Individuals in charge of the controlled subsidiaries report work to upper management assigned with corresponding duties at the end of each year, so as to ensure that the Company's management measures can be effectively implemented.

The Audit and Supervision Department determines the main business units, business and matters that need to be included in the audit scope in strict accordance with the risk-based audit approach, covering the main aspects of the Company's operation and management. The main business units included in the audit scope include the Company, wholly-owned and controlled subsidiaries. The total assets of the business units in the audit scope account for 100% of the total assets recorded in the Company's consolidated financial statements, and the total operating revenue accounts for 100% of the total operating revenue recorded in the Company's consolidated financial statements. The main business and matters included in the audit scope include: corporate governance, development strategy, organizational structure, human resources, corporate culture, work ethics and competence, information and communication, internal supervision and other processes and procedures involved in corporate-level control structure in the Company's internal control and management manual and relevant rules on implementation; funds, investment, sourcing and procurement, sales, inventory, fixed asset management, engineering projects, research and development, business outsourcing, budget management, guarantee business, storage and use of raised funds, related-party transactions and other processes and fields involved in the business-level control structure.

2. Specifics of Major Defects Identified in Internal Control during the Reporting Period

Yes No

XIII. Management and Control of the Company during the Reporting Period

Company Name	Acquisition Plan	Milestones	Problems Encountered	Actions Taken	Status	Follow-up Plan
Anhui Imaging Union Cloud Health Technology Co., Ltd.	<p>On 12 July 2021, Anhui iFLYTEK Healthcare Co., Ltd. (“iFLYTEK Healthcare”), a controlled subsidiary of the Company, and Anhui Imaging Union Cloud Health Technology Co., Ltd. (“Imaging Union”) signed an <i>Investment Cooperation Agreement</i> (the “Agreement”).</p> <p>According to the Agreement, after the completion of this investment, iFLYTEK Healthcare will hold 51% of the shares of Imaging Union, and the shareholding ratio of Anhui iFLYTEK Yunchuang Technology Co., Ltd. which is the Company’s wholly-owned subsidiary in Imaging Union will drop to 7.03%. The Company will indirectly control 58.03% of the shares of Imaging Union through iFLYTEK Healthcare and iFLYTEK Yunchuang, making Imaging Union a controlled subsidiary of iFLYTEK Healthcare and iFLYTEK. iFLYTEK and iFLYTEK Healthcare provide professional guidance, supervision and support to Imaging Union. In view of the footprint and expert resources that Imaging Union has developed in the Internet-based healthcare over the past years, Imaging Union’s keeps its remote imaging and digital imaging businesses independent, and will leverages iFLYTEK’s leading position in the industry, client base and management to expand the domestic market together.</p>	<p>According to iFLYTEK’s <i>Regulations on the Management of Controlled Subsidiaries</i>, after the acquisition, integration and adjustment will be made in the following aspects:</p> <p>1. Personnel: By July 2021, iFLYTEK has appointed 3 members to the Board of Directors of Imaging Union (5 directors in total), to obtain effective control over major decisions. In August 2021, iFLYTEK assigned members of iFLYTEK Healthcare to serve as the president, Vice President, finance director and other management roles of Imaging Union.</p> <p>2. Finance: The finance director of iFLYTEK Healthcare has been appointed to work with the finance team from Imaging Union to standardize and integrate work processes according to financial management rules and requirements of iFLYTEK Healthcare.</p> <p>3. Business: Teams of the two sides work together to formulate business plans for imaging, and integrate resources of both sides to explore business</p>	<p>A systematic internal control management structure was not established in this subsidiary before the acquisition.</p>	<p>iFLYTEK’s standardized internal control management system has been established at Imaging Union. In the meantime a professional compliance team has been put in place to supervise and audit Imaging Union to ensure asset security and standardized operation.</p>	<p>By now, a standardized internal control process has been established at Imaging Union and it has been integrated into the overall management framework of iFLYTEK.</p>	<p>Internal controls at Imaging Union and guidance will be further strengthened.</p>

		opportunities of digital imaging and remote imaging.				
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XIV. Self-Assessment Report on Internal Controls or Internal Control Auditor's Report

1. Self-Assessment Report on Internal Controls

Date of disclosure of the full text of the Assessment Report on Internal Controls	April 22, 2022	
Disclosure index of the full text of the Assessment Report on Internal Controls	2021 Assessment Report on Internal Controls published on CNINFO (http://www.cninfo.com.cn)	
The ratio of the total assets of the business units included in the assessment scope to the total assets of the Company's consolidated financial statements	100%	
The ratio of the operating revenue of the business units included in the assessment scope to the operating revenue of the Company's consolidated financial statements	100%	
Defect identification standards		
Category	Financial statements	Non-financial statements
Qualitative classification criteria	<p>Material defects: A defect in internal controls alone or in combination with other deficiencies that are reasonably likely to result in a failure to prevent or detect and correct a material misstatement in a financial statement in a timely manner, such as the following scenarios: (1) directors, supervisors or senior management members conduct fraudulent practices; (2) the Company corrects a published financial statement; (3) a certified public accountant finds that there is a material misstatement in the current financial statement, but the internal controls fail to detect the misstatement during the operation process; (4) ineffective supervision of the internal controls by the Company's audit committee and internal</p>	<p>The following scenarios may be identified as material defects, and other scenarios may be identified as major defects or general defects depending on the degree of impact: (1) unreasonable decision-making procedures of the Company; (2) violation of national laws and regulations, such as environmental pollution; (3) brain drain (managerial or technical personnel); (4) frequent negative news covered by media; (5) defects identified in the assessment of internal controls are not corrected, especially material and major defects; (6) important business lacks institutional control or the institutional control fails systematically.</p>

	audit office; (5) other defects that may affect the correct judgment of the users of the financial statement. Major defects: A defect in internal controls alone or in combination with other defects that have a reasonable possibility of resulting in failure to prevent or detect and correct a misstatement in a financial statement in a timely manner that, though not at or above the level of significance, should still catch the attention of the Board of Directors and senior management members. General defects: Defects in internal controls that do not constitute material defects and major defects.	
Quantitative classification criteria	Material defects: The property loss caused by the defect exceeds or equals 1% of the total assets in the consolidated financial statements; major defects: The property loss caused by the defect exceeds or equals 0.5% but less than 1% of the total assets in the consolidated financial statements; general defects: The property loss caused by the defect is less than 0.5% of the total assets in the consolidated financial statements.	Material defects: The property loss caused by the defect exceeds or equals 1% of the total assets in the consolidated financial statements; major defects: The property loss caused by the defect exceeds or equals 0.5% but less than 1% of the total assets in the consolidated financial statements; general defects: The property loss caused by the defect is less than 0.5% of the total assets in the consolidated financial statements.
Number of material defects in financial statement (pcs)		0
Number of material defects in non-financial statements (pcs)		0
Number of major defects in financial statement (pcs)		0
Number of major defects in non-financial statement (pcs)		0

2. Assurance Report on Internal Controls

Applicable Not applicable

Deliberation in the Assurance Report on Internal Controls
iFLYTEK has maintained effective internal control over financial reporting in all material aspects as of December 31, 2021 in

accordance with the Basic Norms for Enterprise Internal Control and relevant regulations.	
Disclosure of Internal Control Auditor's Report	Disclosed
Date of disclosure of the full text of the Internal Control Auditor's Report	22 April 2022
Disclosure index of the full text of the Internal Control Auditor's Report	Assurance Report on Internal Controls published on CNINFO (http://www.cninfo.com.cn)
Type of opinion on the Internal Control Auditor's Report	Unqualified opinion
Any material defects in non-financial statements?	No

Whether the accounting firm has issued an internal control auditor's report with a modified opinion

Yes No

Whether the internal control auditor's report issued by the accounting firm is consistent with the conclusion of the self-assessment report of the Board of Directors

Yes No

XV. Rectification of Problems Identified in the Corporate Governance Campaign of the Listed Company

Based on the uniform requirements established by the Listing Department of the China Securities Regulatory Commission (CSRC), and in accordance with the requirements of the *Notice on Conducting Effective Corporate Governance of Listed Companies* laid out by Anhui Securities Regulatory Bureau of the CSRC, the Company has conducted self-inspection on 118 issues in the *Self-Inspection Checklist for Corporate Governance of Listed Companies*. The self-inspection result shows that no rectification by the Company is needed for any issue.

Section V Environmental and Social Responsibility

I. Major Environmental Issues

Whether the listed company or its subsidiaries are key corporate polluters announced by the environmental protection authority

Yes No

Administrative penalties for environmental pollution during the reporting period

Company name	Reason for the penalty	Violation of regulations	Penalty result	Impact on the production and operation of the listed company	The Company's rectification measures
N/A	N/A	N/A	N/A	N/A	N/A

Reference to other environmental pollution information disclosed by key corporate polluters

The artificial intelligence (AI) industry is an eco-friendly high-tech industry with high added value. The Company's AI technology and software-focused product application and development do not involve the discharge of traditional industrial wastewater/exhaust gas/waste/noise in day-to-day operations. Based on its world-leading AI technology with proprietary intellectual property rights, iFLYTEK actively engages AI in pursuing low-carbon and sustainable growth, and advances environmental protection and development through multiple measures in infrastructure construction, day-to-day production, environmental protection in work locations and resource conservation.

Measures taken to reduce carbon emissions during the reporting period and effects

Applicable Not applicable

AI improves efficiency and facilitates energy conservation and emission reduction

AI and big data play an important role in carbon emission reduction, carbon monitoring, green finance, carbon emissions trading and other relevant areas. iFLYTEK actively pursues innovation in industry solutions to manage emission peak and achieve carbon neutrality, and works with scientific research institutions for this goal. On the strength of the urban platform and digital base, iFLYTEK continues to conduct research on carbon emission assessment, detection and analysis, and explores decision support system models to provide low-carbon planning and optimization solutions for cities and their administrators, helping to build green communities.

iFLYTEK's Artificial Intelligence Open Platform actively utilizes AI to improve industrial efficiency and promote energy conservation and emission reduction. iFLYTEK's AI Open Platform has achieved in-depth coverage of AI applications in the industrial sectors, helping industrial businesses achieve upgrading in digitalization and intelligence. In 2021, industrial and enterprise digital transformation applications accounted for 60% of new applications on iFLYTEK's AI Open Platform.

Vehicle exhaust emission is one of the typical scenarios of carbon emissions. According to the estimate made

by China Automotive Technology and Research Center, carbon emissions by automobiles account for more than 80% of carbon emissions in China's transportation sector, and about 7.5% of carbon emissions in China. iFLYTEK's "Transportation Super Brain" solutions utilize AI to learn big data in transportation, empower refined management of urban transport, and enable data-driven decision-making. Taking "Hefei Transportation Super Brain" as an example, traffic big data is entirely linked to the Super Brain monitoring platform to enable accurate monitoring of traffic flow at crossroads and in each section of roads, realize real-time traffic congestion warning and identification of locations where traffic congestion occurs frequently, and provide data-based research support for traffic management. This has effectively improved the traffic efficiency and reduced carbon emissions. So far, more than 200 million pieces of various types of data are integrated and converged on Transportation Super Brain on a daily basis, covering 2,417 intersections, 1,017 roads and 50 grid areas in the urban area of Hefei. Since the operation of Transportation Super Brain, the traffic efficiency within the 15-square-kilometer demonstration area has been significantly improved. Among the five traffic congestion alleviation plans released by Hefei, a total of 96 regular traffic congestion locations have been identified, 93% of which were identified via Transportation Super Brain. With the Transportation Super Brain running, a signal timing optimization plan can be generated every 2 minutes; data archiving has been completed for 2,156 intersections; signal timing at 756 intersections has been optimized. During the operation period, the traffic flow rate of an area increased by 12.9% on average; the traffic flow during the morning and evening peak hours on weekdays increased by 8.3%, and the traffic queue decreased by 11.7%.

Reasonable use of resources for energy conservation and environmental protection

iFLYTEK attaches great importance to energy conservation and environmental protection and the impact on surroundings. The Company strictly implements relevant national and industry regulations in infrastructure construction, office waste and wastewater disposal, lighting, and greening of the industrial park, makes great efforts in saving energy, reducing emissions, and creating a nice, green and healthy work environment. The Company advocates the concept of green office, and keeps promoting the development of "paperless and smart office" by improving the OA system and iFLYTEK Smart Conference System for online meetings.

iFLYTEK advocates energy conservation, emission reduction, safety and environmental protection. iFLYTEK attaches great importance to energy conservation and environmental protection and the impact on surroundings. The Company strictly implements relevant national and industry regulations in infrastructure construction, office waste and wastewater disposal, lighting, and greening of the industrial park, makes great efforts in saving energy, reducing emissions, and creating a nice, green and healthy work environment.

The Company arranges administrative and services staffs to study the *Implementation Plan for Energy Conservation and Consumption Reduction Initiative*. In terms of the use of air conditioners, it is specified in the *Circular of the General Office of the State Council on Strictly Implementing the Temperature Control Standards for Air Conditioners in Public Buildings* that the temperature setting for indoor air conditioning in office areas, such as, offices and conference rooms, in summer shall not be lower than 26°C and shall not be higher than 20°C in winter." In this regard, the supervision and control center sets and controls the use of VRN central air conditioners to reduce the utilization rate of air conditioners to the greatest extent, and effectively control the

power consumption and carbon emissions. In addition, the Company has further refined the centralized control system by adopting innovative technologies to add a water cooling system to air conditioners' outdoor units, using the condensate to cool the units in summer. By doing so, great results have been achieved in energy saving and consumption reduction, and it has been estimated that the energy consumed can be reduced by 20% in summer. Meanwhile, spot checks are conducted to ensure that the Company's regulations are strictly followed and that employees' awareness of energy conservation and environmental protection can be further strengthened.

The Company has published the *Administrative Measures for the Management of Company Vehicles* to optimize fuel use and vehicle maintenance, reduce exhaust emissions, and frequently use electric buses in transportation services. iFLYTEK community has launched several volunteering activities and encouraged employees to help each other and travel green. In addition, the Company has developed an internal carpooling software - "AI Carpooling", so as to effectively promote energy conservation and emission reduction.

Practicing "Green Office" initiative and focusing on sustainable development

iFLYTEK has formulated the *Code for Office Environment Management*, adhering to the four principles of "keeping the office clean, orderly, green and safe". The Company continues to optimize codes of conducts while working to establish scoring and evaluation system to create better workplace environment.

The Company advocates the concept of green office, and keeps promoting the development of "paperless and smart office" by improving the OA system and iFLYTEK Smart Conference System for online meetings. The Company also advocates employees to develop good habits of electricity saving, paper recycling, double-sided printing, and saving water and ink cartridges. In terms of power supply and lighting in work areas, lamps are being replaced with energy-saving ones; lighting circuits are being optimized to enable zone controls, and patrols are carried in unmanned offices to switch lights off in time.

The Company encourages everyone to take ownership, save company and community resources, live green and contribute to the development of an environment-friendly society. The above ideal has been deeply rooted in the minds of iFLYTEK employees and been practiced every day. In terms of digital management, iFLYTEK has developed a variety of intelligent applications covering multiple scenarios, such as "AI + office, AI + recruitment, AI + finance, and AI + industrial park". By improving efficiency, the Company strives for energy conservation and emission reduction.

II. Corporate Social Responsibility

For details, please refer to the *2021 Environmental, Social and Governance (ESG) Report and Corporate Social Responsibility Report* disclosed by the Company on CNINF (<http://www.cninfo.com.cn>) on 22 April 2022.

III. Building on Achievements of Poverty Alleviation and Rural Vitalization

(1) Promote the sharing of high-quality educational resources in urban and rural areas through the "AI-enabled Non-profit Education Program"

Education in impoverished areas is one of the biggest challenges in poverty alleviation. The fundamental

solution to poverty is to address the generational poverty through education and cultivation. Providing small-size schools in rural areas with quality and balanced education services is connecting the “last mile” of compulsory education, “For the next generation to live a good life, they need to develop literacy.” In view of the reality that experienced teachers are not likely to be placed in all urban and rural areas, iFLYTEK starts to increase the supplies of high-quality educational resources in rural areas where educational resources are scarce, and promote the sharing of those educational resources through technologies and applications.

iFLYTEK has launched the “AI-enabled Non-profit Education Program” which is designed to promote the development of education through AI and help solve the problem of generational transmission of poverty from the root. AI stands for “artificial intelligence”, and it is also pronounced like “love” in mandarin Chinese. The program aims to make students in rural areas feel cared and supported through AI-empowered education. iFLYTEK has provided teaching tools, educational toys, curriculums and other products, conducted trainings for teachers in rural areas and run volunteer teaching programs to help left-behind children in underdeveloped areas, so they can catch up with the recent technological progress and grow up happily.

In September 2021, iFLYTEK launched a non-profit AI-empowered education event named “Salute Teachers -- iFLYTEK Dictionary Pens for Free”, nearly 9,000 teachers from nearly 7,000 schools in 290 areas of 31 provinces across China received iFLYTEK dictionary pens for free. In December 2021, at a donation ceremony named “Salute Teachers – Village Teachers as Dream Builders”, iFLYTEK donated iFLYTEK dictionary pens with a total value of RMB1.08 million to the China Teacher Development Foundation, as well as iFLYTEK dictionary pens to each of 1,210 teachers who had been awarded the title of “Outstanding Village Young Teachers”.

In November 2021, the Xingfu Primary School in Wufeng County of Hubei Province received new educational tools and devices worth RMB700,000, including iFLYTEK Xiaofei robots, AI Futurist, AI courses, AI education application platform, etc. With AI-enabled education products, children in rural schools can take the same classes as students from schools in cities, covering subjects such as English, arts and music. AI-empowered smart education is helping the Xingfu Primary School to pursue innovative changes.

In 2021, iFLYTEK Non-profit Education also provided big data precision learning software and iFLYTEK dictionary scanner pens to Xunwu Middle School in Jiangxi Province and 3 other schools, and deployed a high-configured scanning and scoring device with installing system in each school. In addition, iFLYTEK Non-profit Education donated smart classroom systems, big data precision learning software, and products for English listening and speaking classes to Lushui No.1 Middle School in Nujiang of Yunnan Province, a batch of smart education systems worth RMB1.05 million to Qinzhou Foreign Language School in Guangxi Zhuang Autonomous Region, and smart education systems and products worth RMB1 million to Baise Education Foundation in Guangxi.

At present, iFLYTEK’s AI-enabled Non-profit Education Program has rolled out initiatives in many provinces and regions across China, including Anhui, Henan, Sichuan, Guizhou, Xinjiang, Hebei, Shanxi, Hubei, Inner Mongolia and Shandong, using technologies to help children in rural schools pursue their dreams. The stories of iFLYTEK’s AI-enabled Non-profit Education Program has been reported by many media outlets such as

People's Daily, China Youth Daily, and Xinhua News Agency.

(2) Improve literacy by breaking language barrier first, and bridge the “last mile” in rural vitalization

At present, over 80% of the population in China can speak Putonghua (i.e., standard Mandarin), but the rate varies greatly between eastern and western China, as well as between urban and rural areas, limiting people in remote and impoverished areas to develop skills, work in cities, and explore business opportunities. A study conducted by the Institute of Quality Development Strategy of Wuhan University reveals that the ability to speak Putonghua has a significant positive impact on migrant workers' income. “Compared with those migrant workers with below Putonghua skills, the income of migrant workers who have medium- and high-level Putonghua skill is 19.4%-21.0% higher and 30.3%-34.9% higher respectively.” Due to historical reasons and geographical conditions, the popularization rate of Putonghua is low in some ethnic minorities regions and underdeveloped areas in China, which has hindered people to get rid of poverty and enjoy economic growth.

Promoting Putonghua can break the language barrier and is beneficial for the rural vitalization and integration of remote areas into the overall economic and social development of the entire country. iFLYTEK, as one of the leaders from speech intelligence industry in China, is committed to promoting Putonghua and contributing to poverty alleviation, so the underprivileged people will be able to speak the common language, find more job opportunities and increase their income.

As a strategic partner of the Ministry of Education of China and the State Language Commission in IT application in education, iFLYTEK has signed a strategic cooperation framework of “Poverty Alleviation by Promoting Putonghua” with the Ministry of Education, the State Language Commission, the Poverty Alleviation Office of the State Council and China Mobile, to leverage its world-leading AI technology and extensive experience in IT application in education to promote Putonghua. The Company facilitates the deployment of its applications and AI-enabled educational products in poverty-stricken areas across China, striving to help registered people in need to learn Putonghua and fight poverty. iFLYTEK has undertaken many key projects of the State Language Commission of China to assist in Putonghua proficiency exams and teaching, building and operating a global Chinese learning platform to promote Putonghua through technological means.

The intelligent Putonghua assessment and aided teaching technology developed by iFLYTEK is an advanced technical achievement with its capability on par with human experts, as recognized by the State Language Commission. This technology has been widely used in the National Putonghua Proficiency Test taken by over 70 million people, as well as the Putonghua Proficiency Test for Chinese Ethnic Minorities (MHK) taken by 3.4 million person-times in total. To advance poverty alleviation through promoting Putonghua, iFLYTEK has developed an app named “Language Poverty Alleviation”, using AI technologies such as speech synthesis, speech recognition and speech evaluation to help people learn to speak Putonghua and recognize frequently used characters, covering listening, speaking, reading and writing. From old revolutionary base areas to remote villages, from mountain villages to ethnic minorities areas, the “Language Poverty Alleviation” app has been widely used in Yunnan, Sichuan, Tibet, Xinjiang, Qinghai, Gansu and across China, building a language bridge for millions of users to communicate with the outside world.

In September 2021, the State Language Commission issued the *Notice on the Second List of Organizations*

Selected for the National Language and Characters Promotion Bases, and iFLYTEK is the one and only high-tech company on the list.

In the first year with the rollout of the “14th Five-Year Plan” and the blueprint for China’s development, iFLYTEK is focusing on the overall needs of national development strategy and taking a step-by-step approach to build preschool smart teaching assistant system, “Chang Yan Guo Tong” (meaning Language Connecting China) for teachers, a national common language product system for colleges and universities, and a national common language product system for farmers and herdsmen. The Company is building national common language learning demonstration areas in Xinjiang, Tibet, Inner Mongolia and other regions to promote communication and exchanges among different ethnic groups.

(3) Job opportunities created by AI

The modernization in rural areas is a new engine for rural vitalization, and iFLYTEK is actively exploring new ways for this cause. By launching the AI Job Creation Program, iFLYTEK is exploring ways to create jobs through AI and improve livelihood through IT application and intelligence technologies.

In 2021, iFLYTEK set up a Hakka annotation center in Xunwu, Jiangxi Province and created 18 types of full-time jobs including “speech/audio annotators”, continuing to provide targeted support for local employment through AI. The AI Job Creation Program launched by iFLYTEK has effectively addressed the issues in creating jobs in the nearby neighborhood for the local people.

In Bijie, Guizhou Province, iFLYTEK has created jobs related to Guizhou dialect annotation, optical character recognition (OCR) and iFLYREC transcription. In addition, the Company has created opportunities for local developers to bring online work to offline scenarios through iFLYTEK’s Voice Cloud Platform, enabling developers to participate in the “Poverty Alleviation Workshop” program to continuously upskill local people and drive industrial development.

As a Chinese saying goes, “Give people fish and you feed them for a day. Teach them how to fish and you feed them for a lifetime.” iFLYTEK is using AI technologies to enable sectors such as data annotation, so these sectors can generate more job opportunities and infuse momentum to other sectors. As a reliable brand the Company is practicing its corporate and social responsibilities by utilizing AI technologies to bring innovative ways for rural vitalization.

Section VI Significant Events

I. Performance of Commitments

1. Commitments that have been completed by parties concerned such as the actual controllers, shareholders, related parties, and acquirers of the Company and the Company during the reporting period or were still underway before the end of the reporting period

√ Applicable □ Not applicable

Commitment	Made by	Type of commitment	Content	Time of commitment	Duration	Status of performance
Commitment made in the acquisition report or equity interests change report	I. The Company's actual controllers (Liu Qingfeng and USTC Holdings Co., Ltd.)	Commitment by the actual controllers	Avoiding horizontal competition, related-party transactions and fund misappropriation; and ensuring the independence of the listed company	20 November 2014	Period of acting in concert	Normally performed
	II. Yang Jun, Wang Binbin, Zhang Shaohua, Xu Guiqin, Zhu Peng, Beijing Le Jiao Rong Zhi Investment Development Partnership Company (Limited Partnership), and Beijing Jia Hui Jin Yuan Investment Development	Other Commitments	Commitment to avoiding horizontal competition, and commitments to reducing and standardizing related-party transactions, etc.	09 December 2016	Period of being a shareholder of the listed company	Normally performed

	Partnership Company (Limited Partnership)					
Commitment made at IPO or refinancing	I. Liu Qingfeng, the Company's actual controller	Commitment at IPO	1. While I'm working at iFLYTEK, the number of shares I transfer each year will not exceed twenty-five percent of the total number of shares held in iFLYTEK. And, if I leave iFLYTEK, I will not transfer the shares held in iFLYTEK within six months from my departure. 2. during the period of holding the shares of iFLYTEK, I will not engage in any business that is the same with or similar to the business of iFLYTEK; will not directly invest in or acquire any enterprise or project with the same or similar business as iFLYTEK, and will not provide assistance to the competing enterprises in any way. If for any reason I render iFLYTEK in any horizontal competition, I will actively take effective measures to abandon such competition.	24 April 2008	Period of acting as an actual controller	Normally performed
	II. Ningbo Saite Equity Investment Partnership Enterprise and Nanjing Chuangyi Investment Management Center (Limited Partnership)	Other Commitments	Commitment to avoiding horizontal competition, and commitments to standardizing related-party transactions, etc.	17 March 2017	Period of being a shareholder of the listed company	Normally performed
	III. Liu Qingfeng	Other Commitments	1. I will not reduce my shareholding in the listed company within six months before the benchmark date for the pricing of the listed company's private	01 April 2021	From the benchmark date for the pricing of the	Normally performed

			<p>offering, i.e. 19 January 2021; 2. I will not involved in any circumstance of reducing my shareholding in the listed company or have a plan for doing so from the benchmark date for the pricing of the listed company's private offering, i.e. 19 January 2021 to the end of the six months after the completion of the private offering;</p> <p>3. I'm not involved in any circumstance of violating Article 44 of the <i>Securities Law</i> and Paragraph 7 of Article 39 of the <i>Administrative Measures for Securities Issuance of Listed Companies</i>; and 4. What I've committed is true, accurate and complete. In the event that I break the above commitments and reduce my shareholding, all the proceeds from the shareholding shall belong to the listed company, and I'm willing to take the legal liability accordingly.</p>		<p>listed company's private offering, i.e. 19 January 2021 to the end of the six months after the completion of the private offering</p>	
	IV. Liu Qingfeng and Anhui Yanzhi Technology Co., Ltd.	Commitment on restriction upon sales of shares issued in refinancing	The shares purchased by all are subject to a lock-up period of 18 months, and they are expected to circulate on 19 January 2023 starting from the first day of listing.	19 January 2021	Subject to a lock-up period of 18 months from the first day of listing	Normally performed
Stock ownership incentive commitment	The Company and awardees	Other Commitments	The Company undertakes not to provide the awardees with loans or any other forms of financial assistance, including provision of guarantee for their loans, in respect of their entitlement to the relevant stock options or restricted shares under this incentive plan. The awardees undertake that if the Company cannot grant the rights and interests or exercise the arrangements for such rights and interests due to false records,	19 September 2020 and 27 September 2021	Period of implementing the stock ownership incentives	Normally performed

			misleading statements or material omissions in the information disclosure documents, the awardees will return all the benefits obtained from this incentive plan to the Company after the relevant information disclosure documents are confirmed to contain false records, misleading statements or material omissions.			
Has the commitment been performed in time (yes/no)	Yes					
If the performance of the commitment is not completed within the specified period, please provide detailed reasons and the follow-up actions.	Not applicable					

2. The Company made forecasts on the profitability of an asset or a project, and the reporting period was part of the profit forecasting period. The Company made explanation on whether the profit of the asset/project went as predicted and why.

Applicable Not applicable

II. Appropriation of Funds for Non-operating Purposes by Controlling Shareholder and Other Related Parties

Applicable Not applicable

During the reporting period, there was no misappropriation of the listed company's funds by its controlling

shareholder or other related parties for non-operating purposes.

III. Illegal External Guarantees

Applicable Not applicable

The Company did not provide any illegal external guarantee during the reporting period.

IV. The Board of Directors' Explanation to the Non-standard Audit Report for the Recent Period

Applicable Not applicable

V. Explanation by the Board of Directors, the Board of Supervisors, and Independent Directors, if Any, to the Non-standard Audit Report Issued by the Accounting Firm during the Reporting Period

Applicable Not applicable

VI. Description of Any Changes in Accounting Policies and Accounting Estimates or Corrections of Significant Accounting Errors over the 2020 Financial Report

Applicable Not applicable

The Company did not change accounting policies and accounting estimates or corrected any significant accounting errors during the reporting period.

VII. Description of Any Changes in the Scope of Consolidated Statement over the 2020 Financial Report

Applicable Not applicable

Please see "VIII. Changes in the Scope of Consolidated Statement" in "Section X Financial Report" for details.

VIII. Appointment and Dismissal of Accounting Firm

Accounting firm currently engaged by the Company

Name of the domestic accounting firm	RSM Certified Public Accountants (Special General Partnership)
Payment to the domestic accounting firm (RMB10,000)	420
Years of provision of continued auditing services by the domestic accounting firm	20
Practicing CPAs of the domestic accounting firm	Zhang Liangwen, Yao Bei, and Ren Gangming
Years of provision of continued auditing services by practicing CPAs of the domestic accounting firm	Zhang Liangwen-three years, Yao Bei-four years, and Ren Gangming-one year

Change of the accounting firm during the reporting period (yes/no)

Yes No

Engagement of the accounting firm for internal control audit, financial advisor or sponsor

Applicable Not applicable

IX. De-listing after the Disclosure of the Annual Report

Applicable Not applicable

X. Bankruptcy and Reorganization

Applicable Not applicable

During the reporting period, the Company was not involved in any matters relating to bankruptcy and reorganization.

XI. Material Legal Proceedings and Arbitrations

Applicable Not applicable

The Company was not involved in any material legal proceedings or arbitrations during the reporting period.

XII. Penalties and Rectifications

Applicable Not applicable

The Company was not subject to any penalties and did not make any rectifications during the reporting period.

XIII. Integrity of the Company and Its Controlling Shareholder and Actual Controllers

Applicable Not applicable

XIV. Significant Related-Party Transactions

1. Related-party transactions related to day-to-day operations

Applicable Not applicable

Related party	Relationship	Type of the related-party transaction	Content of the related-party transaction	Pricing principle of the related-party transaction	Price of the related-party transaction	Amount (RMB10,000)	Percentage in the amount of the same kind of transactions	Approved transaction amount (RMB10,000)	Exceeding the approved amount or not	Related-party transaction settlement method	Market price of accessible same kind of transactions	Disclosed on	Index to disclosure
China Mobile Limited	Investor with significant	General related-party	Sale of goods and provision	Market-set	Nil	67,507.73	3.69%	65,000	Yes	Bank transfer	Nil	20 April 2021	The Announcement on

and its subsidiaries	ant influence on the Company	transaction	of labor services	price									Anticipated General Related-Party Transactions in 2021 (Announcement No.: 2021-030) published on 20 April 2021
China Mobile Limited and its subsidiaries	Investor with significant influence on the Company	General-related party transaction	Purchase of goods and acceptance of labor services	Market-set price	Nil	4,288.16	0.58%	1,400	Yes	Bank transfer	Nil	20 April 2021	The Announcement on Anticipated General Related-Party Transactions in 2021 (Announcement No.: 2021-030) published on 20 April 2021
Total				--	--	71,795.89	--	66,400	--	--	--	--	--
Details on return of sold goods in large value				Not applicable									
Actual performance during the reporting period, if any, where the total amount of general related-party transactions to occur during the reporting period is estimated by category				The total amount of general related-party transactions to do with China Mobile Limited and its subsidiaries in 2021 was estimated at RMB664 million. Where, the actual amount arrived at RMB717.9589 million, RMB53.9589 million more than the estimated amount, representing 0.43% of the Company's audited net assets in 2020.									
Reasons for large difference between the transaction price and the referential market price, if applicable				Not applicable									

2. Related-party transactions arising from acquisition or sales of assets or equity

Applicable Not applicable

The Company did not engage in any related-party transactions arising from acquisition or sales of assets or equity during the reporting period.

3. Related-party transactions in joint external investment

Applicable Not applicable

The Company did not conduct any related-party transactions in joint external investment during the reporting period.

4. Related creditor's rights and debts

Applicable Not applicable

The Company did not have any related creditor's rights and debts during the reporting period.

5. Transactions with related finance companies

Applicable Not applicable

The Company did not have any deposit, loan, credit or other financial business with any related finance companies or such finance company's related parties.

6. Transactions between finance companies controlled by the Company and their related parties

Applicable Not applicable

None of the finance companies controlled by the Company had have any deposit, loan, credit or other financial business with their related parties.

7. Other material related-party transactions

Applicable Not applicable

The Company did not engage in other material related-party transactions during the reporting period.

XV. Major Contracts and Fulfillment

1. Trust, sub-contract and lease

(1) Trust

Applicable Not applicable

The Company did not take any trust during the reporting period.

(2) Sub-contract

Applicable Not applicable

The Company did not conduct any contracting during the reporting period.

(3) Lease

Applicable Not applicable

The Company did not have any lease during the reporting period.

2. Material guarantees

Applicable Not applicable

Unit: RMB10,000

External guarantees by the Company and its subsidiaries (excluding guarantees to subsidiaries)										
Name of the guaranteed	Date of disclosure of the announcement on the guarantee amount	Amount of guarantee	Date of actual occurrence	Amount of guarantee actually provided	Guarantee type	Collateral (if any)	Counter guarantee (if any)	Period of guarantee	Performance completed or not	Guarantee to a related party or not
Financial leasing customer	25 October 2019	50,000	19 June 2020, 29 December 2020, 30 December 2020, and 30 November 2021	7,593.29	Joint and several liability guarantee	Land use right, and houses and buildings	All financial leasing customers provided counter guarantee	24 or 36 months	No	No
Supply chain financing customers	25 October 2019					Joint and several liability guarantee			Yes	No
Tongling Tianyuan Equity Investment Group Corporation	19 April 2019	24,000	14 June 2019 and 22 March 2021	14,808	Joint and several liability guarantee		Tongling Development Investment Group Corporation provided counter guarantee	From the date of approval by the Board of Directors to the expiration of the project's loan term	No	No
Total amount of approved external		74,000		Total amount of external guarantees		18,393.13				

guarantees during the reporting period (A1)				actually provided during the reporting period (A2)						
Total amount of approved external guarantees at the end of the reporting period (A3)			74,000	Total amount of the outstanding external guarantees actually provided at the end of the reporting period (A4)						22,401.29
Provision of guarantees by the Company to its subsidiaries										
Name of the guaranteed	Date of disclosure of the announcement on the guarantee amount	Amount of guarantee	Date of actual occurrence	Amount of guarantee actually provided	Guarantee type	Collateral, if any	Counter guarantee, if any	Period of guarantee	Performance completed or not	Guarantee to a related party or not
Anhui Zhixue Technology Co., Ltd.	20 April 2021	12,000	16 July 2021	3,341.94	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Hefei iFLYTEK Read & Write Technology Co., Ltd.	20 April 2021	10,000	16 July 2021	1,997.55	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Anhui Tingjian Technology Co., Ltd.	2021年04月20日 20 April 2021	10,000	2021年07月16日 16 July 2021	3,447.76	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Anhui iFLYTEK Jiecheng Software Technology	20 April 2021	15,000	16 July 2021	1,384.61	General guarantee; joint and several liability			The next twelve months	No	No

Co., Ltd.					guarantee					
iFLYTEK (International) Limited	20 April 2021	30,000			General guarantee; joint and several liability guarantee			The next twelve months	No	No
Tianjin iFLYTEK Jizhi Technology Co., Ltd.	20 April 2021	30,000	10 December 2021	273.57	General guarantee; joint and several liability guarantee			The next twelve months	No	No
iFLYTEK (International) Limited Iflytek (International) Limited	20 April 2021	8,000	24 May 2021	3,006.96	General guarantee; joint and several liability guarantee			The next twelve months	No	No
iFLYTEK (Shanghai) Technology Co., Ltd.	20 April 2021	3,000	30 July 2021	1.92	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Zhejiang iFLYTEK Intelligent Technology Co., Ltd.	20 April 2021	3,000	17 September 2021	364.98	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Anhui Institute of Information Technology	20 April 2021	10,000	22 June 2021	4,706.73	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Anhui Institute of Information Technology	26 September 2021	20,000			General guarantee; joint and several liability			Till the 2021 Annual General Meeting of the	No	No

					guarantee			Company		
Hainan Shenggu Technology Co., Ltd.	26 September 2021	1,200			General guarantee; joint and several liability guarantee			Till the 2021 Annual General Meeting of the Company	No	No
iFLYTEK South Asia & Southeast Asia Information Technology (Yunnan) Co., Ltd.	20 April 2021	2,000			General guarantee; joint and several liability guarantee			The next twelve months	No	No
Shenzhen iFLYTEK Interactive Electronics Co., Ltd.	26 September 2021	10,000			General guarantee; joint and several liability guarantee			Till the 2021 Annual General Meeting of the Company	No	No
Tianjin iFLYTEK Information Technology Co., Ltd.	20 April 2021	3,000			General guarantee; joint and several liability guarantee			The next twelve months	No	No
Anhui iFLYTEK Healthcare Co., Ltd.	20 April 2021	10,000	14 September 2021	575.98	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Bills pool pledge business	20 April 2021	50,000	14 September 2021	32,054.59	General guarantee; joint and several liability guarantee			The next twelve months	No	No
Total amount of approved guarantees			227,200	Total occurrence amount of guarantees						57,421.52

provided to subsidiaries during the reporting period (B1)		provided to subsidiaries during the reporting period (B2)								
Total amount of approved guarantees provided to subsidiaries at the end of the reporting period (B3)	227,200	Total occurrence amount of guarantees actually provided to subsidiaries at the end of the reporting period (B4)	51,156.59							
Provision of guarantees by the subsidiaries to other subsidiaries										
Name of the guaranteed	Date of disclosure of the announcement on the guarantee amount	Guaranteed Limit	Date of actual occurrence	Amount of guarantee actually provided	Guarantee type	Collateral, if any	Counter guarantee, if any	Period of guarantee	Performance completed or not	Guarantee to a related party or not
Total amount of the Company's guarantees (the sum of the first three items)										
Total amount of approved guarantees during the reporting period (A1+B1+C1)		301,200		Total amount of guarantees actually provided during the reporting period (A2+B2+C2)						75,814.65
Total amount of approved guarantees at the end of the reporting period (A3+B3+C3)		301,200		Total amount of the outstanding guarantees actually provided at the end of the reporting period (A4+B4+C4)						73,557.88
Percentage of the total amount of actual guarantees (A4+B4+C4) in the Company's net assets				4.38%						

3. Entrustment of others for cash assets management

(1) Entrusted wealth management

Applicable Not applicable

The Company did not entrust any wealth management during the reporting period.

(2) Entrusted loan

Applicable Not applicable

The Company did not have any entrusted loan during the reporting period.

4. Other major contracts

Applicable Not applicable

The Company did not have any other major contracts during the reporting period.

XVI. Explanations about Other Significant Events

Applicable Not applicable

(i). Private offering of stocks in 2021

According to the *Approval of the Non-public Offering of Shares by iFLYTEK Co., Ltd.* (Z.J.X.K.[2021] No. 1769) issued by the China Securities Regulatory Commission, the Company was granted an approval of privately offering no more than 75,938,058 new shares, and the number of shares to be issued might be adjusted accordingly in the event of a change in the total share capital under the strengthening of share capital and other circumstances. After the implementation of the Company's 2020 interests distribution plan, the number of shares in this non-public offering was changed from no more than 75,938,058 shares (inclusive) to no more than 76,393,048 shares. The Company received the confirmation of acceptance of the registration application for additionally issued shares in this non-public offering from China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch on 12 July 2021, and the shares issued were registered and listed on 19 July 2021.

Through this issuance, firstly, the Company replenished its liquidity, helping it actively grasp the opportunities of the times and strategic opportunities in the AI industry to consolidate and enhance its position in the industry, and also boost its sustainable profitability and core competitiveness; and secondly, shares were issued to Mr. Liu Qingfeng, the actual controller of the Company, and Anhui Yanzhi Technology Co., Ltd. controlled by Mr. Liu. In this way, Mr. Liu Qingfeng would share weal and woe with the Company over a long term. Through subscription to shares in this non-public offering, the shareholding ratio of Mr. Liu Qingfeng and the proportion of voting rights controlled by the actual controller of the Company were enlarged, which further enhanced the stability of the control over the Company and consolidated the control position of the actual controller. In the meanwhile, the actual controller's subscription to shares privately issued by the Company demonstrated his firm confidence in the AI industry and the Company's future development prospects, thus benefiting the long-term stable development of the Company.

(ii) Proposed spin-off and listing of iFLYTEK Healthcare, a controlled subsidiary

According to the overall strategic layout of the Company, in view of the healthy and sound development of Anhui iFLYTEK Healthcare Co., Ltd. ("iFLYTEK Healthcare"), a subsidiary controlled by the Company, the Company held the Sixteenth Meeting of the Fifth Board of Directors on 3 August 2021, which reviewed and approved the *Proposal on Spin-off and Listing of a Controlled Subsidiary*, a move intended to accelerate iFLYTEK Healthcare's development and iterations of products and services, and help it grow business rapidly by responding flexibly to market changes and seizing market opportunities. The Board of Directors agreed to plan for the spin-off and listing of iFLYTEK Healthcare, a subsidiary controlled by the Company (hereinafter referred to as

the "spin-off and listing"). After the completion of the spin-off and listing, the Company will maintain a controlling interest in iFLYTEK Healthcare.

(iii). The Stock Option and Restricted Stock Incentive Plan in 2021

On the premise of fully protecting the interests of shareholders, the Company incorporates long-term incentives into total compensation management as a normalized measure, for purposes of further improving the corporate governance structure, mobilizing the whole team to work hard together, establishing a sound long-term effective incentive mechanism, attracting and retaining outstanding talents through the implementation of stock ownership incentives that match the intensity of industrial competition, fully stimulating the enthusiasm of management members and core technical/business personnel, effectively combining the interests of shareholders, the Company's interests and the personal interests of core and key employees, and focusing the attention of all parties on the long-term development of the Company. The Company held the Eighteenth Meeting of the Fifth Board of Directors on 26 September 2021 and the Second Extraordinary Shareholders' Meeting in 2021 on 13 October 2021, both of which reviewed and approved the *Stock Option and Restricted Stock Incentive Plan in 2021 (Draft)* and related proposals. Please see Section IV of this report for details.

XVII. Significant Events of the Company's Subsidiaries

√ Applicable □ Not applicable

Section VII Changes in Shares and Particulars of Shareholders

I. Changes in Shares

1. Changes in shares

Unit: Share

	Before the change		Increase/decrease (+, -)					After the change	
	Number	Percentage	Issuance of new shares	Bonus shares	Shares transferred from capital reserve	Other	Subtotal	Number	Percentage
I. Shares subject to selling restrictions	198,261,755	8.91%	100,642,248			-54,417,273	46,224,975	244,486,730	10.52%
1. State-owned shares									
2. Shares held by state-owned legal persons									
3. Shares held by other domestic investors	198,061,755	8.90%	100,462,248			-54,357,273	46,104,975	244,166,730	10.51%
Including: shares held by domestic legal persons			5,991,611				5,991,611	5,991,611	0.26%
Shares held by domestic natural persons	198,061,755	8.90%	94,470,637			-54,357,273	40,113,364	238,175,119	10.25%
4. Shares held by foreign investors	200,000	0.01%	180,000			-60,000	120,000	320,000	0.01%
Including: shares held by foreign legal persons									

Shares held by foreign natural persons	200,000	0.01%	180,000			-60,000	120,000	320,000	0.01%
II. Shares not subject to selling restrictions	2,026,475,962	91.09%				53,811,853	53,811,853	2,080,287,815	89.48%
1. RMB-denominated ordinary shares	2,026,475,962	91.09%				53,811,853	53,811,853	2,080,287,815	89.48%
2. Domestically listed foreign shares									
3. Overseas listed foreign shares									
4. Others									
III. Total number of shares	2,224,737,717	100.00%	100,642,248			-605,420	100,036,828	2,324,774,545	100.00%

Reason for share change

Applicable Not applicable

The share change was a result of the automatic adjustment to the locked-up shares of senior management members at the beginning of each year, the listing of shares privately offered in 2021, the listing of shares granted under the Stock Option and Restricted Stock Incentive Plan in 2021, the removal of restriction upon sales for the third removal period under the first-phase restricted stock incentive plan, the removal of restriction upon sales for the first removal period under the second-phase restricted stock incentive plan, and the repurchase and cancellation of part of the restricted stocks already granted.

Approval of share change

Applicable Not applicable

The non-public offering of stocks by the Company in 2021 was approved at the Ninth and the Thirteenth Meeting of the Fifth Board of Directors of the Company and the First Extraordinary Shareholders' Meeting of the Company in 2021; the repurchase and cancellation of part of the restricted stocks already granted was approved at the Twelfth Meeting of the Fifth Board of Directors of the Company and the Annual General Meeting of the Company for 2020; the removal of restriction upon sales for the third removal period under the first-phase restricted stock incentive plan was approved at the Twelfth and the Fifteenth Meeting of the Fifth Board of Directors of the Company; the removal of restriction upon sales for the first removal period under the second-phase restricted stock incentive plan was approved at the Twentieth Meeting of the Fifth Board of Directors of the Company; and the matters relating to the Stock Option and Restricted Stock Incentive Plan in 2021 were approved at the Eighteenth and the Nineteenth Meeting of the Fifth Board of Directors of the Company and the Second Extraordinary Shareholders' Meeting of the Company in 2021.

Ownership transfer in respect of share change

Applicable Not applicable

Upon review and confirmation by China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch, the Company completed the repurchase and cancellation of 605,420 shares of restricted stocks already granted on

28 May 2021. Following the repurchase and cancellation, the total number of shares of the Company was changed to 2,224,132,297 from 2,224,737,717. The Company registered the shares it privately offered in 2021 with China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch, and the newly increased 76,393,048 shares were listed officially on 19 July 2021, following which the total number of shares of the Company was changed to 2,300,525,345 from 2,224,132,297. Under the Stock Option and Restricted Stock Incentive Plan in 2021, the Company granted 24,249,200 shares to 2,240 people. The granted shares got listed on 15 December 2020 after being reviewed and confirmed by China Securities Depository & Clearing Corporation Ltd. Shenzhen Branch. After the grant of these restricted stocks, the Company increased the total number of its shares to 2,324,774,545 from 2,300,525,345.

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reduction of repurchased shares via centralized bidding

Applicable Not applicable

Effects of share change on basic/diluted earnings per share, net assets per share attributable to ordinary shareholders of the Company, and other financial indicators in the past year/period

Applicable Not applicable

During the reporting period, non-public offering increased the Company's shares by 76,393,048, the repurchase and cancellation of some restricted stocks already granted reduced shares by 605,420, and the Company granted 24,249,200 shares under the Stock Option and Restricted Stock Incentive Plan in 2021. The above factors combined to make the closing balance of shares 100,036,828 more than the opening balance, which diluted basic earnings per shares and diluted earnings per share, and net assets per share attributable to ordinary shareholders of the Company in the period.

Other content deemed necessary by the Company or required by the securities regulatory authority to disclose

Applicable Not applicable

2. Changes in shares subject to selling restrictions

Applicable Not applicable

Unit: Share

Name of shareholder	Balance of shares subject to the restriction on sales at the beginning of the period	Increase of shares subject to the restriction on sales	Number of restricted shares relieved in 2021	Balance of shares subject to the restriction on sales at the end of the period	Reason for the restriction	Date of relieve
778 people rewarded for the first time under the first-phase	36,134,700	-281,520	35,853,180	0	For stock ownership incentive	The third sale restriction removal period: From the first trading day 48 months after the first day of grant to the last trading day within 60 months as of the day of grant. The

restricted stock incentive plan						number of relieved shares was 40% of the number of restricted stocks granted. The stocks relieved this time were put into circulation on 20 May 2021.
367 people rewarded with the reserved stocks under the first-phase restricted stock incentive plan	3,730,200	-91,800	3,638,400	0	For stock ownership incentive	The third sale restriction removal period: From the first trading day 36 months after the first day of grant to the last trading day within 48 months as of the day of grant. The number of relieved shares was 40% of the number of restricted stocks granted. The stocks relieved this time were put into circulation on 17 August 2021.
1,900 people rewarded under the second-phase restricted stock incentive plan	26,864,800	-232,100	7,855,020	18,777,680	For stock ownership incentive	The first sale restriction removal period: From the first trading day 12 months after the first day of grant to the last trading day within 24 months as of the day of grant. The number of relieved shares was 30% of the number of restricted stocks granted, and they were in circulation on 15 December 2021. The second sale restriction removal period: From the first trading day 24 months after the first day of grant to the last trading day within 36 months as of the day of grant. The number of relieved shares was 30% of the number of restricted stocks granted. The third sale restriction removal period: From the first trading day 36 months after the first day of grant to the last trading day within 48 months as of the day of grant. The number of relieved shares was 40% of the number of restricted stocks granted.
Liu Qingfeng		70,401,437		70,401,437	Additional issue of 70,401,437 restricted stocks	The stocks privately offered this time were subject to a lock-up period of 18 months, and they are expected to circulate on 19 January 2023 starting from the first day of listing on 19 July 2021.
Anhui Yanzhi Technology Co., Ltd.	0	5,991,611	0	5,991,611	5,991,611 Additional issue of 5,991,611 restricted stocks	The stocks privately offered this time were subject to a lock-up period of 18 months, and they are expected to circulate on 19 January 2023 starting from the first day of listing on 19 July 2021.
2,240 people rewarded under	0	24,249,200	0	24,249,200	For stock ownership	The first sale restriction removal period: From the first trading day 12 months after the

the Stock Option and Restricted Stock Incentive Plan in 2021					incentive	first day of grant to the last trading day within 24 months as of the day of grant. The number of relieved shares was 30% of the number of restricted stocks granted, and they were expected to begin circulation on 15 December 2021. The second sale restriction removal period: From the first trading day 24 months after the first day of grant to the last trading day within 36 months as of the day of grant. The number of relieved shares was 30% of the number of restricted stocks granted. The third sale restriction removal period: From the first trading day 36 months after the first day of grant to the last trading day within 48 months as of the day of grant. The number of relieved shares was 40% of the number of restricted stocks granted.
Directors, supervisors and senior management members	131,532,055		6,465,253	125,066,802	Locked-up shares of senior management members	On the first trading day of each year, CSDC Shenzhen Branch calculates the statutory number of shares transferable by the listed company's directors, supervisors and senior management members in the year at 25% of the number of shares registered under them on the last trading day of the prior year.
Total	198,261,755	100,036,828	53,811,853	244,486,730	--	--

II. Details of Securities Issuance and Listing

1. Securities issuances (excluding preference shares) during the reporting period

√ Applicable □ Not applicable

Name of the stock and its derivative	Issuing date	Issuing price (or interest rate)	Number issued	Listing date	Number approved for trading	End date of transactions	Index to disclosure	Disclosed on
Stock								
RMB-denominated ordinary shares (A)	06 July 2021	33.38	76,393,048	19 July 2021			<i>The Report on the Listing of Privately Offered Stocks & also the Announcement on Listing (Summary)</i> (Announcement No.: 2021-058) published on the	16 July 2021

share)							<i>Securities Times, the China Securities Journal, the Shanghai Securities News, the Securities Daily and CNINFO (www.cninfo.com.cn)</i>	
RMB-denominated ordinary shares (A share)	30 November 2021	26.48	24,249,200	15 December 2021			<i>The Announcement on Completion of Grant of Restricted Stocks under the Stock Option and Restricted Stock Incentive Plan in 2021 (Announcement No.: 2021-100) published on the Securities Times, the China Securities Journal, the Shanghai Securities News, the Securities Daily and CNINFO (www.cninfo.com.cn)</i>	14 December 2021

Notes to securities issuances (excluding preference shares) during the reporting period

The shares issued during the reporting period were the ordinary A shares of the Company issued to Liu Qingfeng and Anhui Yanzhi Technology Co., Ltd. in the Company's non-public offering of stocks in 2021 and the ordinary A shares of the Company issued to specified targets under the Stock Option and Restricted Stock Incentive Plan in 2021.

2. Explanation on the Company's Total Shares and Changes in Its Shareholder Structure, as Well as Changes in Its Balance Sheet Structure

Applicable Not applicable

During the reporting period, non-public offering increased the Company's shares by 76,393,048, the repurchase and cancellation of some restricted stocks already granted reduced shares by 605,420, and the Company granted 24,249,200 shares under the Stock Option and Restricted Stock Incentive Plan in 2021. The above factors combined to make the closing balance of shares 100,036,828 more than the opening balance. As of the end of the reporting period, the Company had 2,324,774,545 shares as share capital; it had total assets of RMB31,394,037,754.41 and a gearing ratio of 44.78%.

3. Existing internal employee stocks

Applicable Not applicable

III. Shareholders and Actual Controllers

1. Number and shareholding of shareholders of the Company

Unit: Shares

Name of shareholder	Nature of shareholder	Shareholding ratio	Shares held at the end of the reporting period	Increase/decrease of shares held during the reporting period	Number of held shares subject to selling restrictions	Number of held shares not subject to selling restrictions	Pledged, marked or frozen shares	
							Status of shares	Number
Total number of ordinary shareholders at the end of the reporting period	237,966	Total number of ordinary shareholders at the end of the last month before the disclosure of the Annual Report	222,631	Total number of holders of preference shares with voting rights resumed at the end of the reporting period, if any (see Note 8)	0	Total number of holders of preference shares with voting rights resumed at the end of the last month before the disclosure of the Annual Report (if any) (see Note 8)	0	0
Shareholding by shareholders that hold more than 5% of the shares of the Company or by the largest 10 shareholders								
China Mobile Limited	State-owned legal person	10.66%	247,714,216	-10,253,200		247,714,216		
Liu Qingfeng	Domestic natural person	7.24%	168,253,267	70,401,437	143,790,309	24,462,958	Pledged	82,360,000
Hong Kong Securities Clearing Company Limited	Foreign legal person	5.23%	121,625,705	22,121,985		121,625,705		
USTC Holdings Co., Ltd.	State-owned legal person	3.59%	83,497,837			83,497,837		
Anhui Yanzhi Technology Co., Ltd.	Domestic non-state-owned legal person	2.46%	57,291,611	5,991,611	5,991,611	51,300,000	Pledged	5,991,611
Zhang Wei	Foreign natural person	2.15%	49,999,900	47,499,900		49,999,900		

Wang Ping	Domestic natural person	2.01%	46,733,956			46,733,956		
Ge Weidong	Domestic natural person	1.70%	39,596,000	-11,273,407		39,596,000		
Wang Renhua	Domestic natural person	1.32%	30,716,902	-2,035,000		30,716,902		
Wu Xiaoru	Domestic natural person	0.78%	18,033,790		13,525,342	4,508,448		
Strategic investors or general legal persons became the largest 10 shareholders as a result of allotment of new shares, if any (see Note 3)	As a strategic investor, China Mobile Limited subscribed for 70,273,975 shares in the non-public offering in 2013. Subject to a lock-up period of 36 months, these shares went in circulation on 25 April 2016.							
Note on connected relations or concerted actions of the above shareholders:	Of the above-mentioned shareholders, Mr. Liu Qingfeng becomes the Company's actual controller as a result of his signing of the <i>Acting-in-Concert Agreement</i> with USTC Holdings Co., Ltd.; Anhui Yanzhi Technology Co., Ltd. is a company controlled by Mr. Liu Qingfeng. Save as disclosed above, the Company is not aware of any connected relation or concerted action among the other shareholders.							
Explanation on the above shareholders' involvement in entrusting its or being entrusted with voting right, and waiver of its voting right	On 26 December 2016, Liu Qingfeng signed the <i>Power of Attorney</i> with the principals Wang Renhua, Chen Tao, Wu Xianghui, Jiang Tao, Huang Haibing, Wang Zhiguo, Yan Jun, Hu Yu, Wu Xiaoru, Xu Yulin and Hu Hongwei, agreeing that the named principals would delegate to Liu Qingfeng the exercise of the rights to make proposals, vote and nominate over all the shares held by them at iFLYTEK, for a term starting from the date of signing of such agreement to the date when the principals no longer held any shares of iFLYTEK. On 9 April 2019, Liu Qingfeng signed the <i>Power of Attorney</i> with the principals Nie Xiaolin, Hu Guoping and Yang Jun, agreeing that Nie Xiaolin, Hu Guoping and Yang Jun would delegate to Liu Qingfeng the exercise of the rights to make proposals, vote and nominate over all the shares held by them at iFLYTEK, for a term starting from the date of signing of such agreement to the date when the principals no longer held any shares of iFLYTEK. Of the above-mentioned 10 shareholders, Wang Renhua and Wu Xiaoru have entrusted Liu Qingfeng to exercise their voting rights.							
Shareholding by the largest 10 holders of shares not subject to selling restrictions								
Name of shareholder	Number of held shares not subject to selling restrictions at the end of the reporting period	Type of shares						
		Type of shares	Number					
China Mobile Limited	247,714,216	RMB-denominated ordinary shares	247,714,216					
Hong Kong Securities Clearing Company Limited	121,625,705	RMB-denominated ordinary shares	121,625,705					

		shares	
USTC Holdings Co., Ltd.	83,497,837	RMB-denominated ordinary shares	83,497,837
Anhui Yanzhi Technology Co., Ltd.	51,300,000	RMB-denominated ordinary shares	51,300,000
Zhang Wei	49,999,900	RMB-denominated ordinary shares	49,999,900
Wang Ping	46,733,956	RMB-denominated ordinary shares	46,733,956
Ge Weidong	39,596,000	RMB-denominated ordinary shares	39,596,000
Wang Renhua	30,716,902	RMB-denominated ordinary shares	30,716,902
Liu Qingfeng	24,462,958	RMB-denominated ordinary shares	24,462,958
Cathay Fortune Corporation	16,745,917	RMB-denominated ordinary shares	16,745,917
Explanation on connection or acting-in-concert relationship among the largest 10 holders of floating shares not subject to selling restrictions, between the largest 10 holders of floating shares not subject to selling restrictions and the largest 10 shareholders	Mr. Liu Qingfeng becomes the Company's actual controller as a result of his signing of the <i>Acting-in-Concert Agreement</i> with USTC Holdings Co., Ltd.; Anhui Yanzhi Technology Co., Ltd. is a company controlled by Mr. Liu Qingfeng. Save as disclosed above, the Company is not aware of any connected relation or concerted action among the other shareholders.		
Explanation on participation of the largest 10 ordinary shareholders into the securities margin trading business, if any (see Note 4)	Zhang Wei held 2,799,900 shares of the Company's stock (0 shares at the beginning of the period) through an ordinary securities account and 47,200,000 shares of the Company's stock (2,500,000 shares at the beginning of the period) through an unsecured securities account; Wang Ping held 46,733,956 shares (46,733,956 shares at the beginning of the period) through an unsecured securities account; Ge Weidong held 21,596,000 shares of the Company's stock (20,019,407 shares at the beginning of the period) through an ordinary securities account and 18,000,000 shares of the Company's stock (30,850,000 shares at the beginning of the period)		

	through an unsecured securities account; Cathay Fortune Corporation held 16,745,917 shares of the Company's stock (0 shares at the beginning of the period) through an unsecured securities account.
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Whether the largest 10 ordinary shareholders and the largest 10 holders of ordinary shares not subject to selling restrictions of the Company engaged in repurchase agreement transactions during the reporting period

Yes No

The largest 10 ordinary shareholders and the largest 10 holders of ordinary shares not subject to selling restrictions of the Company did not engage in repurchase agreement transactions during the reporting period.

2. Controlling shareholder of the Company

Nature of the controlling shareholder: No controlling entity

Type of the controlling shareholder: No

Explanation on the fact that the Company does not have a controlling shareholder:

The Company features decentralized shareholdings. No single shareholder can exercise control over the Company.

Changes in controlling shareholders during the reporting period

Applicable Not applicable

The Company's controlling shareholders did not change during the reporting period.

3. Actual controllers of the Company and their persons acting in concert

Nature of the actual controllers: domestic natural person; other domestic entity

(1) Type of the actual controller: natural person

Name of the actual controller	Relationship with the actual controller	Nationality	Residence in other country/territory obtained (yes/no)
Liu Qingfeng	Himself	Chinese	No
Occupation and position	Founder and Chairman of iFLYTEK, Director of the National Engineering Laboratory for Speech and Language Information Processing (NELSLIP), Adjunct Professor and Doctoral Supervisor at the University of Science and Technology of China, Deputy to China's 0th, 11th, 12th and 13th National People's Congress, Chairperson of the Speech Industry Alliance of China, and Chairperson of the Artificial Intelligence Industry-University-Research Innovation Alliance of the Chinese Academy of Sciences.		
Chinese and foreign listed companies controlled over the past 10 years	No		

(2) Type of the actual controller: legal person

Name of the actual	Legal representative or	Date of incorporation	Organizational code	Main business
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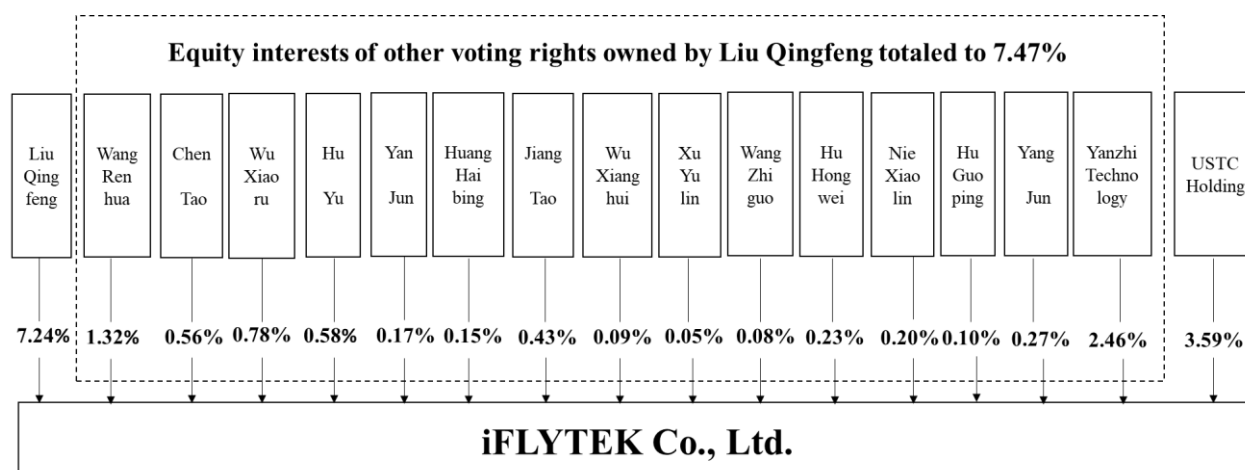
controller	person-in-charge			
USTC Holdings Co., Ltd.	Wang Bing	23 March 1988	913401001491854105	Commercialization and promotion of scientific and technological achievements, high-tech business incubation, investment management, and asset operation.
Equity interests in other Chinese and foreign listed companies controlled by the actual controller during the reporting period	USTC Holdings Co., Ltd. is the actual controller of QuantumC Tek Co., Ltd. ("QuantumC"), directly holding 13.50% of the shares of QuantumC and controlling 8.26% of the voting shares of QuantumC through the proxy of Pan Jianwei, combining to 21.76% of the voting shares of QuantumC (data from QuantumC's 2020 annual report).			

Changes in the actual controllers during the reporting period

Applicable Not applicable

The Company's actual controllers did not change during the reporting period.

Block diagram of ownership and control relationships between the Company and its actual controllers



Control of the Company by the actual controller via trust or other asset management method

Applicable Not applicable

4. Shares accumulatively pledged by the Company's controlling shareholder or largest shareholder and its persons acting in concert accounting for 80% of the total number of shares held by them in the Company

Applicable Not applicable

5. Other corporate shareholders holding more than 10% shares

Applicable Not applicable

Name of corporate shareholder	Legal representative	Date of incorporation	Registered capital (in RMB10,000)	Main business or management activities

	or person-in-charge)	
China Mobile Limited	Yang Jie	27 February 2004	164,184.83	Operation of the Global System for Mobile Communications (GSM) services; IP telephony services; Internet access services, and Internet backbone data transmission services; design of investment in and construction of mobile communications, IP telephony and Internet networks; installation, construction and maintenance of mobile communications, IP telephony and Internet facilities; operation of system integration, roaming settlement and clearing, technology development, technical services, advertising business, and equipment sales related to mobile communications, IP telephony and Internet services, as well as other telecommunications and information services; sale and lease of mobile phone terminal equipment, IP phone equipment, Internet equipment and accessories, and provision of relevant after-sales service; business training, and conference services; accommodation (student accommodation) (the operation limited to branches); catering services, and swimming pools (the operation limited to branches). (In respect of the items that need to be approved according to law, relevant activities shall be carried out only after being approved by the competent department.)

6. Restrictions on reduction of shares held by the controlling shareholder, actual controllers, restructuring party and other commitment makers

Applicable Not applicable

IV. Specific Implementation of Share Repurchases during the Reporting Period

Implementation progress of share repurchase

Applicable Not applicable

Implementation progress of reduction of repurchased shares via centralized bidding

Applicable Not applicable