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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We are subject to risks associated with operating in a rapidly developing and evolving digital entertainment industry.

The digital entertainment industry is subject to high competition, rapid technological advancement, and constantly shifting consumer preferences. As a leading digital entertainment platform, our continued success depends largely on our ability to evolve, innovate and adapt to changing consumer appetite effectively. We have built a track record in catering to the users' preferences by building our experience and capabilities in developing various digital content and expanding our library of online literary content, micro dramas and other IP derivatives. We cannot guarantee that we will be able to continue to do so in the future despite our efforts to conduct in-depth market research to anticipate the trends of the digital entertainment market considering the evolving trend of the industry. If we fail to develop new digital entertainment content effectively and in a timely manner, our content offerings may become less attractive, resulting in a decline in our user base and financial performance.

We depend on a consistent pipeline of popular literary content for both our literature and related business, and micro dramas and IP derivatives business. Failure to control content production costs, secure copyrights, or attract and retain key writers would disrupt the quality and supply of our digital content, which may materially and adversely affect our business operations and financial results.

Popular and quality literary content is the core driver and foundation of our content monetization business. We generally license the copyright of the literary content published on our platforms on an exclusive basis, either at fixed prices and/or under revenue-sharing arrangements. Due to improving monetization prospects of high-quality original literary content, there is increasing competition for popular literary works. Furthermore, as the market develops, the expectations of copyright owners may continue to rise, and as such, they may demand higher licensing fees. In addition, our micro drama business also relies on a constant supply of high-quality literary content for adaptation into micro drama series, further increasing our demand for premium literary content. As a result, we expect our content-related costs to increase on an absolute basis as we expand our literary content library.

We primarily rely on our writers to create original literary works. However, we may not be able to continue to attract and retain writers by offering more competitive and favorable terms than our competitors or higher licensing fees. While our contracted writers agree to create literary content for us, we cannot control their productivity or quality of their works within the contract terms. Additionally, any disputes or legal proceedings with our key writers, especially prominent best-selling writers that create popular and high-quality literary content, may disrupt our business relationship with them. Therefore, we cannot assure you that we will retain sufficient online literary works with monetization value or control a broad range of copyrights for high quality literary works. If we lack popular literary content that can be monetized or fail to acquire a broad range of copyrights of such literary content for monetization, our business and operating results may be materially and adversely affected.

In addition, in relation to our IP operation for our literary content, we cannot guarantee that our current or future monetization strategies will be successfully implemented or will generate sustainable revenue, profit or positive operating cash flows. Our failure to identify appropriate industry partners to maximize the monetization potential of our popular literary works may also materially and adversely affect our business and financial condition.

Our financial performance is heavily concentrated in two core businesses: online literature and related business, and micro dramas and IP derivative business. Underperformance of either business would materially and adversely impact our revenue and profitability.

A substantial portion of our total revenue is derived from online literature and related business as well as micro dramas and IP derivative business. For the years ended 2023, 2024, and the nine months ended September 30, 2024 and 2025, the revenues from these two businesses accounted for 91.7%, 93.5%, 96.3% and 94.4% of our total revenues, respectively.

For these two businesses, we distribute our digital content to users through third-party distribution platforms, which in turn pay license fees and/or share a portion of their revenues with us pursuant to the relevant agreements. We cannot assure you that our cooperation with key business partners will remain ongoing and successful, any deterioration or termination of these cooperations would have a material adverse effect on our business and financial condition.

Further, we also distribute our digital content via our self-operated platforms. We monetize our digital content through a freemium model. Initial chapters or episodes of our content are offered for free to drive user engagement, after which users may either pay certain fees to unlock subsequent chapters or episodes or subscribe to a membership for unlimited access to our relevant content. For non-paying users, they may choose to access a limited number of chapters or episodes daily by viewing advertisements.

The success of our self-operated platforms hinges on our ability to consistently produce high-quality, engaging content that caters to the fast-changing needs and preferences of our users. Failure to do so may lead to reduction in daily active user, high churn rate and reduced spending of paying users. Further, a decline in user engagement metrics would lower value and volume of advertisements we can monetize, thereby adversely affecting our revenue from advertising customers. Consequently, if we are not able to produce compelling content to maintain and drive our user base, it may materially and adversely affect our business, financial condition and results of operations.

If we fail to retain our existing users, keep them engaged, or acquire new users in a cost-efficient manner, our business, financial condition, results of operations and prospects may be materially and adversely affected.

The size of our user base and the level of our user engagement are critical to our success. Our current monetization methods through our overseas micro platforms depend on our ability to increase the size of our user base and user engagement. Several factors may materially and adversely affect user retention, growth and engagement, including but not limited to:

- technical or other problems preventing us from delivering our content products and services in a timely and reliable manner or otherwise adversely affecting user experience;
- features and functions we design and develop to enhance our user experience and retention are not effective or long-lasting;
- our failure to maintain our brand image;
- failure to address user concerns related to privacy, safety, security or other factors; and

- our failure to expand to new geographic markets or sectors with high growth potential.

If we fail to maintain and grow our user base, either due to our failure to retain existing users or attract new users in a cost-efficient manner, our user activity and spending on our platform, may decline, which could reduce our revenues and materially and adversely affect our business, financial condition, results of operations and prospects materially and negatively.

The markets in which we operate are highly competitive. If we fail to compete effectively, our business, financial condition, results of operations and prospects may be materially and adversely affected.

We face competition from domestic and overseas companies across all our businesses. In our online literature and related business, we compete for popular literary works and user engagement. Some of our current or future competitors competing in this market may have greater brand recognition, better supplier or writer relationships, larger user bases, and greater financial, technical or marketing resources than we do. Some of our competitors may be able to secure more favorable terms from writers, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing strategy and devote more resources to their websites, mobile apps and systems development than we do.

Similarly, competition in our micro drama and IP derivatives business centers on high-quality content, as well as user acquisition and retention. Certain competitors in this market may possess greater brand recognition, stronger financial resources, more advanced technology capabilities, or larger marketing budgets than we do, providing them with advantages in attracting and retaining users and business partners. Furthermore, industry consolidation through mergers and acquisitions may arise from time to time as platforms seek to expand their user bases, scale their operations, and enhance capabilities across diverse content formats.

If we fail to compete effectively in these highly competitive markets, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, we compete in connection with various other monetization opportunities that we currently pursue or may pursue in the future, which generally depend on our ability to attract and retain users onto our content offerings. If we are unable to compete effectively, our ability to successfully monetize our content may be materially affected, which may adversely affect our profitability.

Our business, prospects and financial results may be subject to new terms agreed upon in the business contracts negotiated in the future with third-party content distribution platforms as well as our relationship with such platforms.

We entered into distribution agreements with various third-party platforms to distribute our literary and audio content as well as micro dramas. Such platforms include leading domestic online reading platforms, internet and telecommunication companies, as well as micro drama platforms and other video platforms in China. However, there can be no assurance that our agreements with these distribution platforms will be extended or renewed after their respective expiration or that we will be able to extend or renew such agreements on terms and conditions favorable to us. In addition, if any of our distribution partners breaches its obligations under any of these agreements or refuses to extend or renew it when the term expires, we may lose all or a portion of the user base we have developed through its platform. We may have legal or other disputes with third-party distribution platforms that may affect our relationship with such platforms or have an adverse effect on our business.

We are exposed to risks associated with our global presence and will continue to be subject to such risks when we further expand our business overseas.

As of September 30, 2025, our digital content have reached users in more than 177 countries and regions worldwide. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our revenue from overseas markets amounted to RMB127.3 million, RMB300.0 million, RMB209.5 million and RMB404.0 million, representing 9.0%, 25.9%, 25.9% and 40.0% of our total revenue, respectively.

As we expand our business overseas, we may be subject to a broad range of risks and challenges, including but not limited to the following:

- challenges in commercializing our content, recruiting personnel, and managing sales channels and distribution networks effectively in new markets where we have limited experience;
- revenue fluctuations due to unfavorable market conditions, intensified competition, unattractive content offerings, pricing pressures, differing cultural norms, content consumption patterns, and monetization dynamics;
- difficulties in navigating different regulatory regimes and government policies to obtain necessary permits, licenses, and approvals to provide our content across various jurisdictions;
- increased compliance requirements, along with higher expenses related to staffing and managing cross-border operations and multi-jurisdictional organizations;
- weakened protection for our intellectual property rights and potential breaches of third-party intellectual property;
- differences in accounting treatments, adverse tax implications, foreign exchange losses, and inflation risks in operational regions;
- inability to effectively enforce contractual or legal rights under foreign legal systems;
- changes in laws, regulations and policies as well as political, economic and market instability or civil unrest in the relevant jurisdictions;
- inflation risks in the regions where we have operations; and
- exposure to political and economic instability, changes in laws or policies affecting foreign investment, civil unrest, and currency fluctuations in relevant jurisdictions.

A significant portion of the revenue generated by our overseas micro drama platform, FlareFlow, is derived from certain overseas regions, which heightens our vulnerability to changes in regulatory environment, regional user preferences, content consumption patterns, and cultural trends. Failure to promptly adapt our micro drama strategy and operations to align with evolving dynamics in such regions may reduce our market share and monetization efficiency in the region, thereby having a material adverse impact on the revenue and profitability of our overseas micro drama business.

We cannot assure you that our international expansion efforts will drive revenue growth. If we are unable to effectively mitigate and manage the aforementioned risks and challenges, our ability to further expand our footprint in the international markets will be impaired. In addition, our international business may not continue to achieve or sustain profitability, which could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our investment in AIGC technology involves uncertainties, and the returns and results may not align with investors' expectations in the short term.

Building and maintaining advanced AIGC capabilities may require significant and sustained upfront investments. During the Track Record Period, we have allocated a significant portion of our R&D expenses towards the advancement of AIGC technology.

To maintain our technology competitiveness within the fast-evolving digital entertainment industry, we may need to commit further R&D investments in AIGC technology over an extended period, accompanied by considerable indirect costs related to talent acquisition. These investments may not yield immediate returns, and the timeline for achieving sizeable commercialization, user adoption, and revenue contribution may be uncertain.

If we fail to invest at a scale necessary to match or exceed our competitors, the capital and resources we have already invested in our AIGC technology could be rendered ineffective, resulting in the impairment of prior investments and a material adverse impact on our future operating results, financial condition, and business prospects.

Inappropriate use of AI technologies could result in reputational harm and legal liability, and may adversely affect our results of operation.

We utilize AI technologies in certain aspects of our business. For more details, see "Business — Our AI Technologies". AI technologies present inherent risks and challenges that could affect their adoption and application, and therefore our business and operational efficiency. AI algorithms may be flawed and contain undetected errors, which may affect their performance. Inappropriate or controversial data practices by us or others could impair the acceptance of our content which is produced with AI technologies. Further, the inappropriate use of AI technologies may result in copyright disputes and legal liabilities. Any such deficiencies may undermine the quality of our content, predictions or analysis that AI generates, subject us to legal liability and reputational harm, which may in turn adversely affect our results of operation.

The regulatory and legal framework on AI is evolving rapidly and may not sufficiently cover all aspects of the research, development and application of AI in Chinese Mainland. Before the year of 2022, the regulations related to AI were also provided in other regulations and rules of internet information services dispersedly. However, PRC government authorities have gradually accelerated the pace of legislation for AI-related technologies including algorithm recommendation and deep synthesis recently. Since the end of 2021, PRC government authorities released the Administrative Provisions on Internet Information Service Algorithm-Based Recommendation (《互聯網信息服務算法推薦管理規定》) and the Provisions on the Administration of Deep Synthesis of Internet-Based Information Services (《互聯網信息服務深度合成管理規定》) successively. On July 10, 2023, the CAC and six other regulatory bodies jointly issued the Provisional Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》), effective on August 15, 2023. These measures apply to the use of algorithmic recommendation services, deep synthesis services, or generative AI services that is offered to the public within the territory of China. Providers of such services are required to, among others, adopt measures to eliminate it or otherwise address it where any unlawful content is discovered, carry out a security assessment and perform internet information services algorithm filing procedures in accordance with relevant regulations before offering a service with characteristics of public opinions or capable of social mobilization to the public at large. A provider of generative AI that violates the requirements under these measures will be penalized in accordance with relevant regulations, or receive warnings, be ordered to take corrective actions, suspend services, or pay fines, or be held criminally liable. See "Regulatory Overview — Laws and Regulations in the PRC — Regulations on Internet and Artificial Intelligence". However, since the interpretation and implementation of these laws and regulations may further evolve and develop, we cannot assure whether we will be able to comply with the requirements of such laws and regulations in a timely manner or at all. If we are unable to obtain the necessary approvals or if we have any dispute with any third party relating to intellectual property or data security, our business operation may be adversely affected.

We and our writers may be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to, our platforms, or distributed to our customers, which could be time-consuming and costly and may result in the removal of relevant content from our platforms.

We have been and may in the future be subject to intellectual property infringement claims or other allegations by third parties for information or content displayed on, retrieved from or linked to, our platforms, or distributed to our customers, which could be time-consuming and costly and may result in the removal of relevant content from our platforms and/or our third-party distribution consumers' platforms.

Our business involves hosting, creating, and distributing online literature, micro dramas and other IP derivative products, which exposes us to claims alleging infringement of copyrights and other intellectual property rights of third parties. In addition, we cannot guarantee that our content generated by our proprietary and third-party AI technology would not inadvertently incorporate items derived from training data that contain material without IP holders' proper authorization, increasing our exposure to intellectual property infringement claims. As the legal framework governing AIGC is still novel and evolving, the full scope of our potential liability remains uncertain.

While we have entered into agreements with multiple content creators in China and overseas, we cannot guarantee that we will secure or renew license agreements on terms that are satisfactory to us. Our procedures for licensing, monitoring and uploading content may be insufficient to avoid third-party infringement disputes. Furthermore, our measures to respond to incidents or complaints regarding intellectual property infringements on our platforms may not fully eliminate the risk that unauthorized content remains on our platforms for a period of time.

The laws and regulations in relation to the validity, enforceability and scope of protection of intellectual property rights in internet-related industries are evolving and involve uncertainties. We face, from time to time, and expect to face in the future, allegations that we or our writers have infringed upon copyrights or other intellectual property rights of third parties. For instance, we could be subject to claims that our micro drama series infringe third parties' intellectual property rights due to similarities in the plots. As we face increasing competition from other digital entertainment players in China and overseas, the risk of facing such claims or legal proceedings is likely to increase. Any such claims or legal proceedings, whether with or without merit, may be time-consuming and costly to resolve, and may materially and adversely affect our business, financial condition, and results of operations.

We may not be able to prevent the unauthorized uses of our intellectual property, including those licensed from third parties. Piracy and intellectual property infringement are persistent risks in our industry and substantial costs may incur in protecting or defending our intellectual property rights. Any failure to protect our intellectual property may adversely affect our market position and operating results.

Acts of piracy and copyright infringement are prevalent in many parts of the world including the PRC, which is primarily due to (i) technological advances allowing copies of digital content; and (ii) the difficulty in enforcing intellectual property rights in the PRC. This trend facilitates the creation, transmission and sharing of high-quality unauthorized copies of digital content. In particular, in the event of any leakage of our micro drama series before the broadcasting period, the performance of our micro drama series may be adversely affected. The proliferation of unauthorized copies of our content may result in the loss of audience and have a negative impact on the viewership ratings and view counts, and in some cases, reduce our licensing revenue, which may materially and adversely affect our business and results of operations. In order to minimize the risks of piracy and infringement, we may have to invest significant financial and human resources to implement security and anti-piracy measures. Litigation may be necessary to enforce our intellectual property rights. However, given that the Chinese courts have discretion in interpreting and implementing regulations and contractual agreements, it is difficult to predict the outcome of litigation. In addition, we may have to incur additional costs for such costs and our management attention may be diverted and there is no guarantee that we would be able to halt any unauthorized use of our intellectual property in China through litigation. Failure to protect our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

The technology infrastructure we relied on and our products may experience system failures, interruptions, security breaches, cyberattacks, or other technical inadequacies. Our brand, reputation, business, financial conditions or results of operations may be materially and adversely affected if we fail to effectively identify and rectify these problems in a timely manner.

The technology infrastructure we relied on and products may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. The technology infrastructure we relied on may also be vulnerable to damage or interruption caused by security breaches, cyberattacks, human error or other technical inadequacies. The occurrence of unanticipated problems that affect the technology infrastructure we relied on could result in interruptions in the availability of our products. It may be difficult for us to respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of users to use our products, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead our users to seek alternative products. It is possible that our security controls and other security practices we follow may not prevent the improper access to or disclosure of personal data or proprietary information. We also rely on systems provided by third parties, which may also suffer security breaches or unauthorized access to or disclosure of personal data or proprietary information. Additionally, our business involves the processing, storage, transmission and processing of confidential and user data, including user data, and the deployment of our IT resources in a safe and secure manner that does not expose our network systems to security breaches or the loss of data. Any data security incidents, including internal malfeasance by our employees, unauthorized access or usage, virus or similar breach or disruption of us or our service providers could result in loss of confidential or proprietary information or personal data, damage to our reputation, loss of users, litigation, regulatory investigations, fines, penalties and other liabilities. Accordingly, if our cybersecurity measures or those of our users fail to protect against unauthorized access, attacks (which may include sophisticated cyber-attacks), the compromise or mishandling of data, or other misconduct or malfeasance, including by computer hackers, employees, contractors, vendors, users and business partners, as well as software bugs, human error or technical malfunctions, then our reputation, business, operating results and financial condition could be adversely affected.

Furthermore, the technology infrastructure we relied on is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunications failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could reduce our user satisfaction, which in turn could adversely affect our reputation, business and financial condition.

Our level of indebtedness, reliance on short-term borrowings and the replacement of guarantees and share pledges provided by our Single Largest Group of Shareholders and its close associate could adversely affect our financial condition and liquidity.

We currently fund our operations principally with proceeds from our core businesses, which include online literature and related business, as well as micro dramas and IP derivatives business, and from bank and other borrowings. As of September 30, 2025, we had bank and other borrowings amounting to RMB432.4 million. All of the bank loans were guaranteed by Mr. Tong, our executive Director and a member of our Single Largest Group of Shareholders, either individually or together with Dr. Ni. In addition to these guarantees, Mr. Tong has also provided share pledge over certain of his shares in our Company to secure our borrowings. The guarantees and share pledges provided by Mr. Tong, either individually or together with Dr. Ni, are expected to be released and replaced by new independent loans prior to the [**REDACTED**]. For details regarding our borrowings, see "Financial Information — Indebtedness — Bank and Other Borrowings".

A significant portion of our bank borrowings consists of short-term loans, which places pressure on our liquidity and cash flows. As of January 31, 2026, we had outstanding indebtedness of RMB528.2 million. See "Financial Information — Indebtedness — Statement of Indebtedness".

The replacement of guarantees and share pledges provided by our Single Largest Group of Shareholders with corporate guarantees from our Group may result in changes to the terms of our financing arrangements, including higher borrowing costs, shorter loan tenures or additional collateral requirements. Any such changes to our financing terms could increase our financial burden and adversely affect our liquidity.

In addition, our indebtedness may contain covenants that restrict our ability to, among other things, pay dividends, incur additional debt, create liens or dispose of assets. Complying with these covenants could limit our operational and financial flexibility. If we fail to comply with such covenants or meet our debt obligations, our lenders may demand immediate repayment of our borrowings, which could materially and adversely affect our liquidity, financial condition and business operations.

There can be no assurance that we will not face challenges in renewing our existing borrowings or obtaining additional financing on terms acceptable to us. Any such challenges could adversely affect our ability to implement our business strategies, meet our capital and operational requirements and achieve our growth objectives.

Our net current liabilities and net operating cash outflows may expose us to certain liquidity risks.

We recorded net current liabilities of RMB165.3 million as of September 30, 2025, which increased to RMB327.4 million as of January 31, 2026. This increase was primarily attributable to additional bank and other borrowings to support selling and marketing expenses associated with the FlareFlow business, which was launched in 2025, as well as a substantial amount of trade payables arising from FlareFlow's early-stage business development and expansion. As of December 31, 2023 and 2024 and September 30, 2025, the current portion of our bank and other borrowings amounted to RMB235.0 million, RMB229.9 million, and RMB321.4 million, respectively, and further increased to RMB403.4 million as of January 31, 2026. The non-current portion of our bank and other borrowings amounted to nil, RMB87.1 million, and RMB111.0 million during the same periods, and decreased slightly to RMB110.0 million as of January 31, 2026. Our trade payables during the same periods amounted to RMB95.9 million, RMB120.9 million, RMB444.1 million, and RMB419.2 million, respectively. In addition to significant trade payables balances, our business development and expansion have also resulted in longer trade payables turnover days, some of which have been overdue. For more details, see "Financial Information — Net Current Assets/(Liabilities)." We have utilized our bank borrowings and our own funds for settlement of FlareFlow's selling and marketing expenses incurred in September 2025, which constitute a relatively substantial amount of trade payables arising from FlareFlow's early-stage business development and expansion. Given that FlareFlow is still in the early stages of business expansion, we may need to continue utilizing bank borrowings and our own funds in the foreseeable future to settle the trade payables to be incurred. In addition, in 2024 and the nine months ended September 30, 2024 and 2025, we had net cash outflows from operating activities of RMB55.3 million, RMB96.7 million, and RMB164.4 million, respectively, whereas we generated a net cash inflow from operating activities of RMB8.0 million in 2023. See "Financial Information — Liquidity and Capital Resources — Net Cash Generated from/(Used in) Operating Activities."

As a result of our continuing business development and expansion, we may continue to experience net current liabilities and net cash outflows in the future, which may expose us to the risk of liquidity shortfalls, constrain our operational flexibility, and adversely affect our ability to expand our business. Our future liquidity, including our ability to pay trade and other payables when they become due, will primarily depend on our ability to generate adequate cash inflows from operating activities and to obtain adequate external financing. To improve our net current liabilities position and reduce payables overdue position, we plan to continually enhance our cash flow from operations by working towards profitability. See "Business — Business Sustainability" for details. We are also negotiating and may enter into alternative payment arrangements with key suppliers from time to time to extend credit terms. However, our future operating and financial performance will be affected by the performance of the industry in which we operate and prevailing economic and market conditions, among other factors, many of which are beyond our control. Pressures on our liquidity may require us to seek additional financing through the [**REDACTED**] and [**REDACTED**] of our Shares, or from other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us, or at all, given that we have already incurred a high level of borrowings. As of January 31, 2026, we had unutilized bank facilities of RMB272.6 million.

Any difficulty or failure to meet our liquidity needs as and when required, as well as any additional costs incurred as a result of difficulties in obtaining additional financing, may have a material adverse effect on our business, financial condition, results of operations, and prospects, including causing our business to become unsustainable.

We have incurred net losses during the Track Record Period. We cannot assure you that we will be able to achieve profitability in the future.

We incurred net losses of RMB242.6 million, RMB186.8 million, and RMB517.0 million in 2024 and the nine months ended September 30, 2024 and 2025, respectively, and had net profit of RMB90.0 million in 2023. Our operating results have fluctuated and may continue to fluctuate from time to time. We may not be able to achieve or maintain profitability in the future. We cannot assure you that FlareFlow will be able to sustain its growth momentum or that revenue and profit margins from the FlareFlow business will increase. Our path to profitability depends on our ability to control our costs and operating expenses, realize our monetization strategy, and increase our revenue in a cost-effective manner. Although we have experienced significant revenue growth since our inception, such growth may not be sustainable at its historical rate. In addition, we expect our costs and other operating expenses to increase as we expand our micro drama business. If our costs and operating expenses continue to increase without a commensurate increase in our revenue, we may not be able to become profitable.

Our historical results may not be indicative of our future growth. We may not be able to effectively manage our growth as a result of the increased complexity of our business, which may adversely affect our business and operating results.

We generated revenues of RMB1,408.9 million, RMB1,159.1 million, RMB808.0 million and RMB1,011.0 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. Specifically, our overseas micro drama platform, FlareFlow, has experienced significant growth in average monthly revenue, downloads and MAUs following its launch in April 2025. Regardless of the various efforts we have made and will continue to make in the future, we cannot assure you that the growth momentum on our overseas micro drama platform will be sustained, or that our business will be able to maintain the growth rate as in the past. As the digital entertainment industry matures and competitive dynamics intensify, the growth rate of our FlareFlow's MAUs and revenue may decrease. If we are unable to adapt to evolving market conditions, scale our operations efficiently, and innovate in response to competitive pressures, our future growth and profitability may be materially and adversely affected.

Our business model relies heavily on distribution costs and marketing expenses, and any significant increase in such costs and expenses, or any failure to effectively deploy them or enhance return on investment, could materially and adversely affect our results of operations.

In our online literature and related business, we recorded distribution costs under cost of sales of RMB563.6 million, RMB471.7 million, RMB343.2 million and RMB308.2 million in 2023, 2024 and the nine months ended September 30, 2024 and 2025, respectively. These distribution channels costs are mainly incurred to engage third-party promotion and marketing service providers to promote our content. We also promote our businesses, in particular our overseas micro dramas, through in-house advertising, and the fees incurred are categorized as our selling and marketing expenses. In 2023, 2024 and the nine months ended September 30, 2024 and 2025, our advertising and marketing expenses were RMB344.6 million, RMB297.3 million, RMB229.0 million and RMB517.2 million, respectively. For details, see "Financial Information — Description of Selected Items in the Consolidated Statements of Profit or Loss and Other Comprehensive Income — Selling and Marketing Expenses".

Our ability to generate revenue is highly dependent on the effectiveness and efficiency of such costs and expenses. If competition for user engagement intensifies, or if the return on our content promotion investments declines, we may be required to increase our costs and expenses without a corresponding increase in revenue. Any sustained increase in our distribution channel costs or advertising and marketing expenses, or any failure to optimize our content placement and promotion strategies, could materially and adversely affect our cash flows, business, financial condition and results of operations.

We utilize third-party payment channels to collect proceeds from our paying users' purchases. Any failure by those payment channels to process payments effectively and securely may materially and adversely affect our revenue realization and brand recognition.

We rely on third-party payment processors to accurately record and collect revenues from our paying users, which is in line with the industry practices. We receive periodic statements from these third-party payment processors summarizing transaction volumes and fees charged to the paying users for our content. If these third-party payment processors fail to accurately account for, or calculate the revenue generated from, the sales of our content, our business and results of operations could be adversely affected. If there are security breaches or failures or errors in the payment process of these third parties, user experience may be adversely affected, and our business and results of operations may be negatively impacted.

Our third-party payment processors may experience cash flow difficulties, which may delay or prevent their payments to us. Failure to timely collect our receivables from third-party payment processors may adversely affect our cash flows and operating results. Further, our payment channels are also subject to laws and regulations governing electronic funds transfers and virtual currencies, which may change or be reinterpreted in a way that will adversely affect their compliance. Non-compliance by our payment processors could result in fines, increased transaction fees, or suspension of their services, which would materially impair our ability to monetize our content and adversely affect our business prospects.

We may be exposed to risks associated with our trade receivables and prepayments.

Our cash flow and profitability are subject to the timely settlement of receivables from our business customers for online literary content and micro drama series that we licensed. During the Track Record Period, we generally granted a credit period of less than 30 days to our customers, depending on the payment terms in each agreement. In practice, the actual collection period often exceeds the credit period stipulated in our agreements. Our customers' ability to make payments on timely basis depends on various factors such as general economic and market conditions and the customer's cash flow position, which are out of our control. Delays in receiving payments from our customers may adversely affect our cash flow position and our ability to meet our working capital requirements. There is no assurance that our customers will pay us on a timely basis or at all, which may adversely affect the recoverability of our trade receivables, or that we will be able to efficiently manage the level of bad debt arising from staged payments.

Our prepayments and other receivables consisted of amounts due from related parties, prepayments for content costs, service fees and inventories, deposits, deductible value-added input tax, consideration receivables from disposal of an equity investment and others. However, there is no guarantee that the relevant service providers, suppliers and other parties will perform their obligations in a timely manner. If the relevant service providers, suppliers and other parties fail to perform their obligations in full or at all, we may be exposed to default on and impairment loss risks in relation to prepayments, which may in turn materially and adversely affect our business and financial position. For further details, see Note 20 to the Accountants' Report in Appendix I to this document.

Fluctuations of our financial assets at fair value through profit or loss may materially affect our financial condition and results of operation.

We made investments in certain financial assets during the Track Record Period and recorded financial assets at fair value through profit or loss of RMB218.4 million, RMB229.2 million and RMB85.0 million as of December 31, 2023, 2024 and September 30, 2025, respectively. Our financial assets at fair value through profit or loss mainly consist of wealth management products managed by the banks or securities company. We recorded wealth management products of RMB140.6 million, RMB145.6 million and nil as of December 31, 2023, 2024 and September 30, 2025, respectively. Going forward, we may, again, invest in wealth management products. We cannot assure you that market conditions and regulatory environment will result in consistent fair value gains on wealth management products we invest in, or we will not incur any fair value losses on our investments in wealth management products in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected. Our financial assets at fair value through profit or loss also comprise our investments in certain private companies and films, amounting to RMB77.9 million, RMB83.6 million and RMB85.0 million as of December 31, 2023, 2024 and September 30, 2025, respectively. These investments may earn yields substantially lower than anticipated, causing their fair value through profit or loss to fluctuate significantly. Any failure to realize the benefits we expected from these financial assets may materially and adversely affect our business and financial results.

We may experience negative publicity involving us, our users, our content, our platforms, our management, our business model or our industry in general.

Negative publicity involving us, our users, our content, our platforms, our management, our business model or our industry in general may materially and adversely harm our brand and our business. We cannot assure you that we will be able to effectively manage negative publicity about us, our management and/or our services to the satisfaction of our investors, users, customers and business partners. The dissemination of these news to the public may adversely affect our reputation or brand image, which could negatively impact our business, results of operations and growth prospects. We may have to incur significant expenses in order to remedy the effects of these negative news, which may materially and adversely affect our results of operations.

We may be involved in claims, disputes and legal proceedings in our ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product or service quality, breach of contract, and employment or labor disputes. As of the Latest Practicable Date, we were not involved in any litigations or legal proceedings that may materially affect our business and results of operations. Nevertheless, we cannot guarantee that we will not face any claim, dispute or can successfully defend ourselves or overturn unfavorable judgments. These potential future legal actions, irrespective of their merits, have the potential to incur significant costs and divert our focus from day-to-day operations. If we fail to successfully counter these claims or prevail in legal proceedings, they could lead to various outcomes, such as imposition of fines and penalties or payment of damages.

Further, claims, disputes or legal proceedings against us may arise from defective supplies or services provided to us by our suppliers, including but not limited to content suppliers that infringe upon third-party intellectual property rights or fail to meet contract obligations. Such suppliers may not be able to indemnify us in full and in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

Our operations and future growth depend substantially on our ability to retain and motivate our senior management and other key qualified personnel. If we lose their services, our operations and growth prospects may be materially and adversely affected.

We believe that our continued success depends significantly on our ability to attract, motivate and retain our senior management and a sufficient number of highly skilled personnel specializing in R&D, editorial and micro drama production. Qualified individuals are in high demand, particularly in the digital entertainment industry, and we may have to incur significant costs to attract and retain them. We cannot assure you that our incentive plans and strategies will be effective. In the event that our Shares decline in value, we may have difficulties recruiting and retaining qualified employees.

In addition, we cannot ensure that we will be able to retain our senior management and key employees as competition for qualified personnel intensities. The loss of any key management or employees could be highly disruptive and adversely affect our business operations and future growth. Moreover, if any of these individuals joins a competitor or forms a competing business, we may lose crucial trade secrets, technological know-how and other valuable resources and our business and results of operation may be adversely affected. Although our senior management and key employees have entered into confidentiality and non-compete agreements with us, we cannot assure you that the extent to which any of these agreements will be enforceable under the applicable laws.

Any misconduct, in particular acts of bribery, corrupt practices, money-laundering or other improper conducts of our employees, agents, contractors, or business partners may materially and adversely affect our business, reputation, results of operations and financial condition.

Our business operations are subject to laws and regulations in China and the jurisdictions where we operate, particularly anti-bribery and anti-corruption laws, which prohibit companies and their intermediaries from making improper payments or other benefits to government or other parties for the purpose of obtaining or retaining business. We cannot assure you that our employees, agents, contractors, or business partners will not be engaged in acts of bribery, corruption, money-laundering or other improper conducts. There is also no assurance that our internal control and risk management systems will prevent or detect any improper or illegal acts of such parties. If any of our subsidiaries, Directors, senior management, employees, representatives, consultants, agents, business partners or investors is found or alleged to have violated anti-bribery or anti-corruption laws and regulations, we may face or be involved in fines, lawsuits and damage to our reputation, and investors may not be able to contribute their portion of investment funds to our projects on schedule or at all, thereby delaying the project progress. In relation to third parties involved in our business, although we conduct reviews of legal formalities and certifications before entering into contractual relationship with our business partners, and take measures to mitigate risks that we may be exposed to in case of any regulatory non-compliance, we cannot be certain whether they have infringed or will infringe upon any other third parties' legal rights or have violated or will violate any regulatory requirements. We may not identify irregularities or instances of non-compliance in the business practices of third parties with whom we pursue existing or future cooperation and we cannot assure you that any such irregularities will be corrected in a prompt and proper manner. Any of the abovementioned circumstances may materially and adversely affect our business, reputation, results of operations and financial condition.

Changes in international trade policies, geopolitics and trade protection measures, export control, and economic or trade sanctions may affect our business, financial condition and results of operations.

As we seek to expand our global footprint, our business operations and financial performance may be influenced by international trade policies, geopolitics, trade protection measures, export controls, and economic or trade sanctions. International trade policies and geopolitics are subject to frequent changes and uncertainties, often driven by political, economic, and social factors beyond our control. These changes could impact trade agreements, tariffs, customs duties, and other aspects of international trade, potentially increasing our operational costs and affecting our overseas market expansion.

The U.S. government imposed economic and trade sanctions directly or indirectly affecting China-based technology companies. It is possible that the extent and scope of such sanctions may escalate. There is no assurance as to how the U.S.-China trade tensions might develop or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies introduced by the two countries. We cannot predict the implications of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy. For example, in recent years, the United States has expanded export controls restrictions on China through the Export Administration Regulations (the "**EAR**"), administered by the Bureau of Industry and Security of the U.S. Department of Commerce. BIS maintains a list of foreign persons on which certain trade restrictions are imposed (the "**Entity List**"). The export, re-export and/or transfer (in-country) of items subject to the EAR to a listed foreign person is generally prohibited unless the specified license requirements are met. These restrictions or regulations, and similar or more expansive restrictions or regulations that may be imposed by the U.S. or other jurisdictions in the future, may materially and adversely affect our ability to acquire technologies, systems or components that may be critical to our technology infrastructure, products, services and business operations. Any uncertainties and changes in these current or future restrictions or regulations may have a negative impact on our business. If certain of our customers and/or suppliers are listed on the Entity List and subject to restrictions from sourcing or selling technologies, systems or components from or to us, we may not be able to maintain our collaboration with such customers and suppliers. These measures, as well as other economic and trade sanctions measures maintained by the United States, the European Union, and other jurisdictions, may prohibit or restrict our ability to, directly or indirectly, conduct activities or dealings in or with certain targeted countries and territories or involving certain targeted persons, or otherwise affect our business. Any failure to successfully comply with applicable sanctions or export controls rules may expose us to negative legal and business consequences, including civil or criminal penalties, the loss of access to controlled technologies, and government investigations.

On October 28, 2024, the U.S. Department of the Treasury ("**Treasury**") issued a final rule, codified in the United States Code of Federal Regulations at 31 C.F.R. part 850, to implement the Executive Order 14105 of August 9, 2023 (the "**Final Rule**"), which became effective on January 2, 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Final Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Final Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. The Final Rule may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers including us. On February 21, 2025, U.S. President issued a memo entitled the "America First Investment Policy" (the "**America First Memo**"), indicating that Executive Order 14105 is under review and the Trump Administration will consider new or expanded restrictions, such as broadening the sectors. We do not believe we would be defined as a Covered Foreign Person under the Final Rule, because we do not engage in a "covered activity" (as defined in the Final Rule) or otherwise meet the definition of Covered Foreign Persons provided in the Final Rule. However, there is no assurance that the Treasury will take the same view as ours. If we were to be deemed a "covered foreign person," and if U.S. persons engaged in a "covered transaction" (each as defined under the Final Rule) that involves the acquisition of our equity interests, such U.S. persons may need to make a notification pursuant to the Final Rule. In addition, even though U.S. persons' acquisitions of certain publicly traded securities (such as our H shares) will be exempted from the scope of covered transactions under the Final Rule, the Final Rule could still limit our ability to raise capital or contingent equity capital from U.S. investors after [**REDACTED**] given that relevant laws, regulations, and policies continue to evolve and we cannot rule out the possibility of being deemed a Covered Foreign Person in the future due to different views taken by the U.S. Department of the Treasury, potential amendments to the Final Rule or the introduction of similar regulations. If our ability to raise such capital is significantly and negatively affected, it could be detrimental to our business, financial condition and prospects. In such case, the value of our H shares may significantly decline, or in extreme cases, become worthless.

We have limited insurance to cover our potential losses and claims.

We cannot assure that our insurance coverage will be sufficient or available to cover damages, liabilities or losses we may incur in the ordinary course of our business. In additional, there are certain losses for which insurance is not available on commercially practicable terms, such as losses or damages arising from any disruption in our business operations or litigation. If we are held responsible for any losses or damages and there is insufficiency or unavailability of insurance, we could suffer significant costs and diversion of our resources, and thereby materially and adversely affect our business, financial conditions and results of operation.

RISKS RELATING TO DOING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

Changes in economic, political or social conditions in the jurisdictions where we operate could have a material adverse effect on our business and results of operations.

Most of our assets are located in the PRC and more than half of our revenue is derived from our business in the PRC. Accordingly, our business, financial condition, results of operations and prospects are subject to economic, political and legal developments in the PRC. The PRC economy differs from the economies of developed countries in many respects, particularly in its degree of government involvement, level of economic development, growth rate and resources allocation. The recent economic reform measures implemented by the PRC government may be adjusted or modified, or applied inconsistently, from industry to industry or across different regions of the country. If the business environment in the PRC changes, our business and its growth prospect in the PRC may also be materially and adversely affected.

As we also generate a substantial portion of our revenue from overseas markets, our business operations and financial performance are subject to general geopolitical risks in foreign countries or regions where we may operate in the future, such as the global economic conditions, political and economic instability and changes in diplomatic and trade relationships. The changes in any of the foregoing conditions could negatively affect our operating results and cause fluctuations in demand for our content products.

The laws of cybersecurity, personal information and data protection in China and other jurisdictions regulate the collection, use and disclosure of information and data, and failure to comply with or adapt to changes in these laws could materially and adversely harm our business.

We collect personal data from our users in order to effectively provide our services and better understand our users need. Concerns about the collection, use, disclosure or security of personal information or other privacy-related matters, even if unfounded, could damage our reputation, cause us to lose users and adversely affect our results of operations.

In recent years, protecting cybersecurity, data security and personal information has become a critical priority in the PRC. The Cybersecurity Review Measures (《網絡安全審查辦法》) (the "**MCR**") took effect on February 15, 2022. Under the MCR, critical information infrastructure operators (the "**CIIOs**") and the data processing activities conducted by network platform operators, which affect or may affect national security, are subject to cybersecurity review. CIIOs must apply for review if they anticipate that their procurement of network products and services affect or may affect national security after such network products and services are put into use. The MCR also provides that network platform operators that possess personal information of over one million users shall apply for cybersecurity review before [**REDACTED**] in a foreign country. However, [**REDACTED**] in Hong Kong is not treated as a [**REDACTED**] in a foreign country within the meaning of the MCR. Nonetheless, relevant government authorities may initiate the cybersecurity review against the relevant operators if the authorities believe that the network products or services or data processing activities of such operators affect or may affect national security. Besides, the Personal Information Protection Law (《個人信息保護法》) and the Security Assessment Measures for Outbound Data Transfer (《數據出境安全評估辦法》) stipulated provisions for collecting, storing, sharing, transferring and disclosing personal information and data in PRC. For details, see "Regulatory Overview — Laws and Regulations in the PRC — Regulations on Internet and Artificial Intelligence". To the best knowledge of our Directors, we have not been identified as a CIIO, nor have we been informed of any material breach of relevant laws. However, we cannot completely exclude the risks of being subject to cybersecurity review in the future and there can be no assurance that we will be able to obtain approval from the regulatory authorities in a timely manner, or at all.

Additionally, we may need to comply with the increasingly rigorous regulatory standards in other jurisdictions. In the U.S., all 50 states have now enacted laws to regulate the actions that a business must take in the event of a data breach, such as prompt disclosure and notification to affected users and regulatory authorities. In addition to the data breach notification laws, some states have also enacted statutes and rules requiring businesses to reasonably protect certain types of personal information they hold or to otherwise comply with certain specified data security requirements for personal information. The U.S. federal and state governments will likely continue to consider the need for greater regulation aimed at restricting certain uses of personal data for targeted advertising. For example, California enacted the California Consumer Privacy Act in 2018, which came into effect on January 1, 2020, and has since been amended by the California Privacy Rights Act which came into effect on January 1, 2023 (collectively, the "**CCPA**"). The CCPA creates new individual privacy rights for consumers (broadly defined in the law) and places increased privacy and security obligations on entities handling personal data of consumers or households. The CCPA requires covered companies to provide new disclosures to California consumers, and provides such consumers new ways to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. Some observers have noted that the CCPA could mark the beginning of a wider trend towards more stringent privacy legislation in the U.S., which could increase our potential compliance costs and adversely affect our business. See "Regulatory Overview — Laws and Regulations in the U.S. — U.S.-Based Data Privacy Regulations" for more relevant U.S. laws and regulations. In the EU, the General Data Protection Regulation ("**GDPR**") came into effect on May 25, 2018. The GDPR implements more stringent operational requirements for processors and controllers of personal data, including, for example, requiring expanded disclosures about how personal information is to be used, limitations on retention of information, mandatory data breach notification requirements, and higher standards for data controllers to demonstrate that they have obtained either valid consent or have another legal basis in place to justify their data processing activities. The GDPR further provides that EU member states may make their own additional laws and regulations in relation to certain data processing activities, which could further limit our ability to use and share personal data and could require localized changes to our operating model. Under the GDPR, fines of up to €20 million or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher, may be assessed for non-compliance. Complying with changing and stringent data protection requirements may cause us to incur substantial costs or require us to change our business practices. In the event that we fail to comply with these regulations, or that we are deemed to be in violation of these requirements and we cannot rectify in a timely manner, we may be exposed to severe penalties, legal liability, reputational damage or other enforcement actions, which may disrupt our business operations and materially and adversely affect our business, financial condition, results of operations and prospects.

Significant capital and other resources may be required to protect against information security breaches. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our users to lose trust in us and could expose us to legal claims.

We require various approvals, licenses and permits to operate our business and any failure to obtain or renew any of these approvals, licenses and permits or any failure to keep up with laws and regulations relating to our ongoing business operations could materially and adversely affect our business and results of operations.

Our operations are subject to a comprehensive and evolving regulatory framework governing the digital entertainment industry in each of the jurisdictions where we operate. We are required to obtain, maintain, and comply with the terms of a wide array of approvals, licenses, and permits from various national and local authorities.

In the PRC, regulatory authorities such as the State Council, the MOFCOM, the MIIT, the MCT, the CAC and the NRTA oversee various aspects of our business. Our PRC operating entities are required to obtain and maintain applicable licenses or approvals in order to provide their current services. For example, we are required to obtain an Internet Publishing Service License for engaging in internet publishing services, the Value-added Telecommunications Business License for engaging in any commercial internet information services and the Internet Cultural Operation License for conducting internet cultural businesses. Furthermore, to broadcast, promote or distribute our micro dramas, we are required to obtain a permit of online drama distribution or complete the relevant online filing registration procedure. In addition, governmental authorities are likely to continue to issue new laws, rules and regulations governing these industries, enhance enforcement of existing laws, rules and regulations, and require new and additional approvals, licenses and permits. For detailed discussion of certain licenses and permits relevant to our business, see "Business — Licenses, Approvals and Permits" and "Regulatory Overview — Laws and Regulations in the PRC — Regulations on Films and Online Audio-visual Activities". Failure to comply with these regulations may result in fines and other penalties for us, including without limitation, shutting down of our operations and revocation of licenses. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition, results of operations and prospects. As we further develop our capabilities and enhance our product functions, we may be required to obtain additional qualifications, permits, approvals or licenses.

As the micro drama sector is emerging rapidly, new laws and regulations may be adopted from time to time to address new issues that come to the regulatory authorities' attention and additional licenses and permits other than those we currently have may be required. In the interpretation and implementation of existing and future laws and regulations governing our business activities, considerable uncertainties still exist. We cannot assure you that we will not be found in violation of any future laws and regulations or any of the laws and regulations currently in effect due to changes in the relevant authorities' interpretation of these laws and regulations. In the event of heightened regulatory scrutiny, our business operations may be materially and adversely affected.

The production and distribution of digital content in China are extensively regulated in the PRC. Our failure to comply with evolving laws, regulations and policies could materially and adversely affect our business, financial condition and results of operations.

The production, distribution, and broadcast of digital content in China are heavily regulated in the PRC. Regulations extend to almost every aspect of the whole process, from content censorship to release or distribution, and many of them are promulgated without advance public consultation. In addition, digital content may also have to align with media objectives of relevant PRC government authorities. Content that fails to incorporate these media objectives may not be published or broadcasted as requested by such government agencies.

Specifically, regulatory authorities such as the NRTA, which enforces a mandatory pre-broadcast review and registration process and retains broad discretionary power to demand re-editing or reshooting of our video content. In some cases, the NRTA may cancel the scheduled broadcast of video contents that do not meet the new requirements.

If any of the above-mentioned situations were to occur, our planned broadcast schedules could be disrupted, and we might need to incur additional cost to reproduce affected video content, which could have a material adverse effect on our business operations.

In China, we are also subject to strict prohibitions on the distribution of content deemed obscene or pornographic under PRC law. Pursuant to these requirements, we are obligated to immediately delete any obscene or pornographic content, and to keep records and report to the governmental authorities in charge. As advised by our PRC Legal Advisor, under applicable PRC laws and regulations, the determination of obscenity and pornography is within the power of relevant regulatory authorities, including but not limited to the Office of the National Working Group for Crackdown on Pornographic and Illegal Publications (全國"掃黃打非"工作小組辦公室), the CAC, the Ministry of Public Security (公安部), the MOC, the GAPPRFT and their respective local counterparts.

Failure to comply with the relevant PRC laws and regulations on a timely and adequate manner may subject us to liability, administrative actions or penalties imposed by the relevant competent PRC authorities. The imposition of any of these penalties may result in a material and adverse effect on our ability to conduct our business in the PRC and have a material and adverse impact on our business, financial condition and operational results. In the worst scenario, the competent PRC authorities could revoke our business and operating licenses, shut down our content distribution platforms, or require us to discontinue or restrict our operations.

Failure to comply with PRC property-related laws and regulations regarding certain of our leased properties may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, our eight lease agreements failed to be registered with the relevant PRC government authorities. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. See "Business — Property — Leased Properties" for details. There is no guarantee that the relevant PRC government authorities will not impose administrative penalties due to the failure to register lease agreements. Should we be fined for this non-registration, our business operations could be adversely affected.

Holders of our H Shares may not be able to enforce their rights successfully as shareholders under PRC Company law or Hong Kong regulatory provisions and may experience difficulties in effecting service of process upon or enforcing foreign judgments against us.

As most of our business is conducted in the PRC, our operations are principally governed by the PRC laws and regulations. Due to the differences in legal systems, certain important aspects of the PRC Company Law are different from the corporate laws of other common law jurisdictions such as Hong Kong, particularly with respect to investor protection, such as shareholder class action suits and measures protecting non-controlling shareholders; restrictions on directors; disclosure requirements; different rights of classes of shareholders; general meeting procedures and disbursement of dividends. We cannot assure you that no discrepancy exists between the protections we give to our investors in civil law jurisdictions and those given to investors in companies formed in common law jurisdictions. Similar to other civil law jurisdictions, PRC laws and regulations are statute-based, and the interpretation and enforcement of statutory laws and regulations may be changed to adapt the rapid development of economic, political, and social conditions. There can be no assurance that we will be able to fully comply with new rules and regulations that may be relevant to investor protection, which may limit the legal protections available to foreign investors, including you. Additionally, any litigation involving us, irrespective of the jurisdiction, may result in substantial costs and diversion of our resources and management attention.

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

Under the current EIT laws and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within Chinese Mainland unless a treaty or similar arrangement provides otherwise.

Under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within Chinese Mainland paid to foreign individual investors who are not PRC resident individuals are generally subject to a withholding tax at a rate of 20% and gains from Chinese Mainland sources realized by such investors on the transfer of shares are generally subject to a 20% income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in Chinese Mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of Chinese Mainland at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between Chinese Mainland and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese Mainland are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges.

If Chinese Mainland income tax is imposed on gains realized from the transfer of our H Shares or on dividends paid to our non-Chinese Mainland resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with Chinese Mainland may not qualify for benefits under such tax treaties or arrangements.

You should assess the legal protections you are entitled to under legal system in China.

We are subject to the applicable laws and regulations of the countries and regions where we operate, which may be different and are constantly evolving. Our business and operations in China are governed by PRC laws, which are subject to revisions or interpretations from time to time. New laws, regulations, guidelines and interpretations that are promulgated in the future may affect the rights and obligations of the parties involved. In addition, legal cases are not official legal sources in China, and prior court decisions may be cited for reference but may not have binding authority. Therefore, you should assess the legal protections you are entitled to under legal system in China.

Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends.

Currently, the conversion of Renminbi into foreign currency has to comply with the relevant laws and regulations and remittance of foreign currencies are subject to the PRC foreign exchange regulations. We may have to convert a portion of our revenue into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our H Shares, if any, and settlement of foreign investment. Shortage in the availability of foreign currency may restrict the ability of our Group to remit sufficient foreign currency out of the PRC, or otherwise satisfy our foreign currency denominated obligations.

Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from the SAFE, by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of the PRC to pay capital expenses under the capital account such as the repayment of loans denominated in foreign currencies.

The policies regarding foreign exchange transactions under the current account and the capital account may not necessarily continue in the future. In addition, these foreign exchange policies may restrict our ability to obtain sufficient foreign exchange, which could have an adverse effect on our foreign exchange transactions and the fulfilment of our other foreign exchange requirements. If there are changes in the policies regarding the payment of dividends in foreign currencies to shareholders or other changes in foreign exchange policies resulting in insufficient foreign exchange, our payment of dividends in foreign currencies may be affected.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially and adversely affect our financial performance.

As we operate a part of our business in countries and regions outside of Chinese Mainland, we are exposed to risks associated with foreign currency exchange fluctuations. Certain of our income from overseas markets is denominated in foreign currencies such as USD and EUR. In managing the foreign exchange risks, we may engage in foreign exchange hedging transactions with financial institutions to mitigate and manage exchange rate risks. However, the effectiveness of these hedging measures may be limited, and we may not be able to adequately cover our foreign exchange exposure or at all. It is difficult for us to predict how external factors may impact the exchange rate of RMB to USD and EUR, or other foreign currencies in the future. Further appreciation of RMB against foreign currencies may affect our overseas operations.

In addition, the [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, the H Shares in foreign currency.

Failure to obtain or maintain any of the government grants or discontinuation of the preferential tax treatments that are currently available to us could materially and adversely affect our business, financial condition and results of operations.

For the years ended December 31, 2023 and 2024, and the nine-month ended September 30, 2024 and 2025, we recognized government grants of RMB4.5 million, RMB4.5 million, RMB0.8 million and RMB11.0 million, respectively. Those government grants were primarily relating to certain tax-related incentives, subsidies for research and development projects and subsidies for other government-sponsored projects. There can be no assurance that we will receive government grants of such amount or at all on a continuous basis. The reduction or discontinuation of any of these government grants could negatively affect our business and results of operations.

During the Track Record Period, we also benefited from various preferential tax treatments in China. Our results of operations depend in part on our ability to continue to enjoy the preferential tax treatments. Under PRC EIT Law, our Company and four of our subsidiaries obtained the "high and new technology enterprise" ("**HNTE**") certificates, which entitled us to apply for a reduced tax rate of 15% from the local tax authority with a valid period of three years. For further information, see "Financial Information — Description of Selected Items in the Consolidated Statements of Profit or Loss and Other Comprehensive Income — Income Tax". Government policies regarding preferential tax treatments are subject to review, renewal, change and termination. The discontinuation of any preferential tax treatments currently available to us would cause our effective tax rate to increase, which could have an adverse effect on our results of operations.

We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with our future capital raising activities.

On February 17, 2023, with the approval of the State Council, the CSRC released the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and five supporting guidelines (the "Overseas Offering and Listing Trial Measures"), which came into effect on March 31, 2023. The Overseas Offering and Listing Trial Measures comprehensively reformed the regulatory regime for overseas securities offerings and listings by China-based companies, conducted either in direct or indirect manners, by adopting a filing-based regulatory mechanism. See "Regulatory Overview — Laws and Regulations in the PRC — Regulations on Securities and Overseas Listings — Overseas Listings" for details. According to the Overseas Offering and Listing Trial Measures, this [**REDACTED**] shall be deemed as an [**REDACTED**] by PRC domestic enterprise, and we are required to submit filings with the CSRC within three business days after we submit application for this [**REDACTED**].

Foreign investment in the PRC is subject to, among other things, the Special Administrative Measures for Foreign Investment Access (Negative List) (2024 edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**"). According to the Negative List, any domestic enterprise engaged in the prohibited industries may only issue shares abroad and list and trade such shares overseas with the prior consent from the relevant competent authorities (the "**Competent Authorities**") of the PRC. See "Regulatory Overview — Laws and Regulations in the PRC — Regulations on Foreign Investment" for details. We are engaged in, among other things, the online publishing services, online audio-visual program services and internet-based cultural operations, which remain among those prohibited industries under the Negative List, and therefore we need to obtain the consent from the Competent Authorities for this [**REDACTED**].

Furthermore, the filing procedure with the CSRC under the Overseas Offering and Listing Trial Measures and the obtaining of the consent from the Competent Authorities may be required for any future offerings, [**REDACTED**] or any other [**REDACTED**]. It is uncertain whether we could complete the procedure and obtain the relevant consent in relation to any further capital raising activities in a timely manner, or at all. Any failure to complete the filing procedure and obtain the relevant consent in a timely manner may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business, results of operations and financial conditions.

Moreover, on February 24, 2023, the CSRC and other relevant government departments released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), which came into effect on March 31, 2023. The Provisions aims to expand the applicable scope of the regulation to indirect overseas offerings and listings by PRC domestic companies and emphasize the confidentiality and archive management duties of PRC domestic companies during the process of overseas offerings and listings.

The CSRC or other PRC regulatory authorities may also take actions requiring us, or making it advisable for us, to halt this [**REDACTED**] or future [**REDACTED**] before settlement and delivery of the H Shares we are [**REDACTED**] hereby. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures in addition to those prescribed under the Overseas [**REDACTED**] Trial Measures for this [**REDACTED**] or future capital raising activities, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Such procedures for obtaining the waiver remain unclear. Any uncertainties or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, prospects, financial condition, reputation, and [**REDACTED**] of our H Shares.

As a company listed on the ChiNext Board of the Shenzhen Stock Exchange, we, our Directors, senior management, employees and Shareholders are subject to securities regulations and exchange listing rules in the PRC.

As a company listed on the ChiNext Board of the Shenzhen Stock Exchange, we, our Directors, senior management, employees and Shareholders are subject to securities regulations issued by the CSRC and the Shenzhen Stock Exchange Listing Rules. While we are committed to full compliance with all applicable regulatory requirements, new regulations and rules, and changes in the interpretation or enforcement of existing regulations and rules, may be adopted from time to time. To maintain compliance, we may need to devote additional resources and incur compliance-related costs. In addition, the CSRC and the Shenzhen Stock Exchange may have periodic or ad hoc inspections, examinations and inquiries with respect to our compliance with relevant regulatory requirements. We have, in the past, received and may receive in the future any regulatory inquiries, warning letter and examinations from the Shenzhen Stock Exchange and the CSRC, which may affect our [**REDACTED**] and also may affect our reputation, business and financial condition.

RISKS RELATING TO THE [REDACTED]

We will be concurrently subject to [REDACTED] and regulatory requirements of Chinese Mainland and Hong Kong.

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

The characteristics of the A Share and H Share markets may differ.

Our A Shares are listed and traded on the ChiNext Board of the Shenzhen Stock Exchange. Following the [**REDACTED**], our A Shares will continue to be traded on the ChiNext Board of the Shenzhen Stock Exchange and our H Shares will be [**REDACTED**] on the Main Board of the Stock Exchange. Under current laws and regulations of China, without the approval from the relevant regulatory authorities, our H Shares and A Shares are neither interchangeable nor fungible, and there is no direct trading or settlement between the H Share and A Share markets. With different trading characteristics, the H Share and A Share markets have different [**REDACTED**], [**REDACTED**] and [**REDACTED**] bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of our H Shares and A Shares may not be comparable. Nonetheless, fluctuations in the price of our A Shares may adversely affect the [**REDACTED**] of our H Shares, and vice versa. Due to the different characteristics of the H Share and A Share markets, the historical prices of our A Shares may not be indicative of the performance of our H Shares. You should therefore not place undue reliance on the trading history of our A Shares when evaluating the [**REDACTED**] decision in our H Shares.

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

As our A Shares are listed on the ChiNext Board of the Shenzhen Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in PRC. As a result, from time to time, we publicly release information relating to us on the Shenzhen Stock Exchange or other media outlets designated by the CSRC. The information we announce in connection with our A Shares listing is based on regulatory requirements of the securities authorities, industry standards and market practices in the PRC, which are different from those applicable to the [**REDACTED**]. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this document. As a result, prospective [**REDACTED**] in the H Shares should be reminded that, in making their [**REDACTED**] decisions as to whether to [**REDACTED**] the H Shares, they should rely only on the financial, operating and other information included in this document. By applying to [**REDACTED**] the H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and any formal announcements made by us in Hong Kong with respect to the [**REDACTED**].

There has been no prior public market for our H Shares, and an active trading market for our H Shares may not develop or be sustained.

Prior to the [**REDACTED**], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity and [**REDACTED**] will develop and be sustained following the completion of the [**REDACTED**]. In addition, the [**REDACTED**] of our H Shares is the result of negotiations between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and us and may not be an indication of the [**REDACTED**] at which our H Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. If an active public market for our H Shares does not develop following the completion of the [**REDACTED**], the [**REDACTED**] and liquidity of our H Shares may be materially and adversely affected.

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could lead to substantial losses to investors.

The [**REDACTED**] and [**REDACTED**] of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant [**REDACTED**] and [**REDACTED**] volatility that are not related to the operating performance of any particular company. The business and performance and the [**REDACTED**] of the shares of other companies engaging in similar business may also affect the [**REDACTED**] and [**REDACTED**] of our H Shares. In addition to market and industry factors, the [**REDACTED**] and [**REDACTED**] of our H Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, relationships with our business partners, movements or activities of key personnel, actions taken by competitors or regulatory developments. Moreover, shares of other companies listed on the Stock Exchange have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in [**REDACTED**] not directly related to our business performance.

There is no assurance if and when we will pay dividends in the future.

Our ability to pay dividends will depend on whether we are able to generate sufficient earnings. Distribution of dividends shall be decided by our Board of Directors at their discretion and will be subject to the approval of the shareholders' meeting. A decision to declare or to pay dividends and the amount thereof depend on various factors, including but not limited to our results of operations, cash flows and financial position, operating and capital expenditure requirements, distributable profits as determined under IFRS Accounting Standards, our Articles of Association and other constitutional documents, the PRC Company Law and any other applicable PRC laws and regulations, market conditions, our strategy and projection for our business, contractual restrictions and obligations, taxation, regulatory restrictions and any other factors from time to time deemed by our Board of Directors as relevant to the declaration or suspension of dividends. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to distribute dividend to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Subject to any of the above constraints, we may not be able to pay dividends in accordance with our dividend policy. For more details relating to our dividend policy, see "Financial Information — Dividends".

Future sales or perceived sales of our H Shares in the [REDACTED] could have a material adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future or may result in dilution of your shareholding.

The [**REDACTED**] of our H Shares and our ability to raise equity capital in the future at a time and [**REDACTED**] that we deem appropriate could be negatively impacted as a result of future sales of our H Shares or other securities relating to our H Shares in the [**REDACTED**] by our Shareholders, or the [**REDACTED**] or other securities, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue shares pursuant to any existing or future share option incentive plans, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [**REDACTED**] of our H Shares.

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

You should read the entire document carefully and only rely on the information included in this document to make your [REDACTED] decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

Prior to the publication of this document, there has been press and media coverage regarding us and the [**REDACTED**]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] and [REDACTED] of our H Shares may decline.

The trading market for our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the [**REDACTED**] of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the [**REDACTED**] or [**REDACTED**] of our H Shares to decline.

Certain facts, forecasts and statistics contained in this document are derived from various government official sources and may not be accurate, reliable, complete or up to date.

Certain facts, forecast and other statistics in this document are derived from various government, official sources and public information. However, we cannot guarantee the reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and presenting such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from government and official sources have not been independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**] or any of their respective affiliates or advisors and no representation is given as to the accuracy of such facts and statistics. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

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