You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [**REDACTED**] *in our Shares. These risks could materially and adversely affect our business, financial condition and operating results. The* [**REDACTED**] *of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *Additional risks and uncertainties not presently known to us, or not expressed or implied below, or that we deem immaterial or highly unlikely, could also harm our business, financial conditions and results of operations. You should consider our business and prospects in light of the challenges we face, including the ones discussed in this section. You should also seek professional advice from relevant advisers regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

Our business and operations are subject to a number of risks. Many of these risks are beyond our control and can generally be categorised into: (a) risks related to our business and industry; (b) risks related to doing business in the jurisdictions where we operate; and (c) risks related to the [**REDACTED**].

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Economic volatility, trade tensions, geopolitical risks, export control and trade restrictions affecting our customers could ultimately have a material adverse impact on our business operations, results of operations and prospects.

Our operations are highly sensitive to changes in the international trading landscape and other external economic variables, which are inherently volatile and affected by events and conditions beyond our control. The impact of recent U.S. trade measures on the global supply chain is yet to be fully seen, and the situation is rapidly evolving. These measures have the potential to disrupt established supply chains, increase costs, and create barriers to market entry, among other things. Any prolonged tariffs imposed by the U.S., along with retaliatory tariffs from the PRC and other countries, will introduce significant uncertainty into global trade dynamics. Any prolonged downturn in international trade or economic conditions in key markets could negatively affect the demand for our supply chain solutions and ultimately the sustainability of our business and growth prospects. There is no assurance that we will be able to implement any mitigation measures, promptly or at all, in response to these changes.

Our customers are primarily located in the PRC, making us particularly vulnerable to economic variables affecting the country. In particular, the ongoing geopolitical and trade tensions between the PRC and the U.S. pose significant uncertainties to import and export activities of our customers, and in turn, our business volume. These tensions can manifest in various forms, such as trade barriers, tariffs and other restrictive measures, which can disrupt the normal flow of goods and services. As we specialize in providing supply chain solutions for electronics, many of our customers operate in the new economy sector, which is particularly sensitive to these geopolitical and trade tensions, and even consumer products in such sector have come under heightened scrutiny in recent years. Imposition of trade control measures could lead to a reduction in international trade of certain products, thereby diminishing the demand for our supply chain solutions. Any adverse developments in the foregoing could significantly impact our revenue and growth prospects.

To comply with sanctions imposed on our customers, we may be required to terminate our business relationships with them, potentially resulting in a material loss of business. During the Track Record Period, we had terminated business relationships with four customers due to U.S. sanction designations on such customers. These customers collectively contributed approximately RMB35.2 million, RMB8.7 million and nil of our GMV in FY2023, FY2024 and FY2025, respectively, representing approximately 0.11%, 0.02% and nil of our total GMV during the same periods. For details of these customers and our business relationship with them, please refer to "*Business — Business activities in relation to certain entities and countries subject to international sanctions*". While the foregoing had affected only a small number of customers relative to our overall customer base and had not materially impacted our business volume during the Track Record Period, further developments in U.S. sanctions or other sanction programmes could result in more of our customers being affected, directly or indirectly. This could potentially lead to a termination of business relationships with a larger number of customers and in turn result in a material loss of our business.

The regulatory environment for international trade is complex and constantly evolving. Navigating frequent changes and complexities in trade policies, customs regulations, and import/export controls requires substantial operation and financial resources and expertise. Failure to comply with the relevant regulations may result in severe consequences, including fines, sanctions, and reputational damage, potentially leading to a material loss of business and significant impediment to our growth prospects. There is no assurance that we will always be able to stay abreast of these changes to minimize disruptions to our supply chain solutions and achieve sustainable growth.

Our operation of cross-border fund arrangements is a critical component of our business model and has contributed significantly to our financial performance. It is driven by large, frequent cash flows generated from our supply chain solutions. If we fail to execute such operation as intended, our financial condition and results of operations may be adversely affected.

Our operation of cross-border fund arrangements is a pivotal aspect of our business model and has significantly contributed to our financial performance. During the Track Record Period, the income generated from such operation amounted to approximately RMB104.0 million, RMB111.9 million and RMB110.8 million in FY2023, FY2024 and FY2025, representing approximately 47.2%, 47.6% and 41.4% of our Income from Ordinary Course of Business during the same periods, respectively.

The viability of our cross-border fund arrangements to generate income heavily depends on large and frequent cash flows from our supply chain solutions, where customers pay us the purchase price for the goods in Chinese Mainland. If the business volume of our supply chain solutions significantly declines for any reason (such as economic downturns, geopolitical and trade tensions, or disruptions in the supply chain), we will not be able to generate sufficient cash flow to sustain the income from our operation of cross-border fund arrangements, leading to an adverse impact to our financial condition and results of operation.

Furthermore, generating income from our operation of cross-border fund arrangements is dependent on our ability to secure favourable exchange rates and appropriate trade finance products from commercial banks:

- With respect to our currency exchange operations, we actively derive income from the differential between the Market Rate and the Agreed Rate. However, there is no assurance that we will consistently be able to secure a more favorable Agreed Rate. The rates we can obtain are subject to what commercial banks can offer and are influenced by the broader foreign exchange and money markets, over which we have no control.

- With respect to our operations of trade finance structured transfer, we actively derive income from the differential between the income on deposits and costs of the trade finance instruments, and the differential between the spot rate at the time of execution and the future exchange rate agreed under the foreign exchange forward contracts. However, there is no assurance that the commercial banks will always have suitable products for us to devise such transfers to generate income based on such differentials. Material changes in interest rates and/or product offerings (in particular pricing terms) and business sentiment of the commercial banks, which relate to the broader financial markets and are not within our control, could narrow the differentials we can achieve. In addition, depending on the terms of the trade finance products available in the market at the relevant time, such trade finance transfer may require us to place an amount of deposit as collateral that is greater than the amount we can drawdown under the corresponding trade finance instrument (see also "*Our trade finance structured transfers may have a temporary impact on our cashflow*"). This may limit the amount of trade finance structured transfers we can enter into at any given time. If we do not have sufficient liquidity, we may not be able to fully capitalize on such arrangements to improve our profitability (which are an integral component of our business model), which could adversely affect our growth prospects in the long term.

Any adverse development of the foregoing could adversely affect our ability to generate income from our operation of cross-border fund arrangements, and in turn adversely affect the profitability and sustainability of our business. We are also subject to execution risks, particularly considering the significant amount of cash flow we manage in the ordinary course of business. For example, our currency exchange operations require a high degree of precision for day-to-day execution, which is generally executed within a narrow window of a few hours each day. Devising our trade finance structured transfer also requires careful identification and matching of appropriate products offered by the commercial banks from time to time to "lock-in" the intended income without exposure to speculative risks. For details of our cross-border fund arrangements and the income generated therefrom, please refer to "*Business — Our cross-border fund arrangements*".

If we fail to execute these operations as intended, we may suffer significant, unexpected loss and/or fail to meet the settlement needs of our customers with their international upstream suppliers.

Our operations have been premised on Hong Kong's status as a "super-connector". Any adverse changes to Hong Kong, or even the perception of such changes, could ultimately have a material adverse impact on our business operations, results of operations and prospects.

Our business operations have significantly benefited from Hong Kong's status as a strategic international trading and logistics hub, often referred to as a "super-connector" between Chinese Mainland and the global market. In FY2023, FY2024 and FY2025, approximately 97.8%, 97.0% and 95.5% of the GMV of goods imported by us into Chinese Mainland were through our operating location in Hong Kong, respectively while only approximately 2.2%, 3.0% and 4.5% of the GMV of goods were imported directly into Chinese Mainland during the same periods. Please refer to "*Business — Our import solutions*" for the details of Hong Kong's strategic importance for our business model.

Any adverse changes in the economic, political, or legal environment in Hong Kong, or even the perception of such changes by the international business community or media, could potentially divert international trade away from Hong Kong and undermine its role as a transshipment hub and gateway to Chinese Mainland. Such developments could disrupt our operations, increase our operational costs, and diminish our ability to efficiently service the needs of our customers. We may need to drastically alter our operating locations and/or business model and reallocate or repurpose resources to offer our supply chain solutions without depending on Hong Kong as a transshipment centre. There is no assurance that we will be able to implement these changes promptly, if at all, to minimize disruptions to our business operations. There is no assurance that our new operating location in Singapore, which was only established in 2023, will be effective in mitigating the foregoing risks or achieve the same level of success as our operating location in Hong Kong or succeed at all. Establishing a new operating location requires substantial investments and management resources, which could have an adverse impact on our profitability. There is no assurance that we will be able to gauge future trends, preferences, and market demand accurately to ensure that such new operating locations align with our customers' needs and sustain our competitiveness and growth.

We specialize in the offering of supply chain solutions for electronics and are susceptible to sector-specific risks.

Our specialization in the supply chain solutions for electronics has enabled us to establish a strong market presence and domain expertise, particularly in light of the significant growth experienced by the new economy sector (which is heavily reliant on a wide array of electronics for the manufacturing of modern-day products, including smartphones, computers, new energy vehicles and other advanced technological products) in recent years. However, this also limits our diversification and exposes us to higher risks if this sector underperforms or does not experience the same level of growth as it had in the past. Should the new economy sector experience a downturn for any reason (such as economic, technological, or other disruptive events), demand for electronics for manufacturing, and in turn, our supply chain solutions could decline.

In an environment of escalating geopolitical and trade tension, there is a heightened risk that a broader array of electronics commonly used in the new economy sector may become subject to increased tariffs, bans or import/export restrictions. Such measures are often enacted in a short time frame, leaving businesses with little time to adjust their operations or explore alternative supplies. The imposition of new tariffs, sanctions or expanded product bans could significantly reduce the volume of our customers' import of electronics, and in turn demand for our supply chain solutions. Any of the foregoing could ultimately have a material adverse impact on our business operations, results of operations and prospects.

In addition, the electronics we import into Chinese Mainland are consistently in high demand, as many of them are essential for the manufacturing of modern-day devices, including smartphones, computers, and other advanced technological products. However, if there are initiatives to promote domestic substitution (國產替代) and other measures aimed at reducing reliance on imported electronics while fostering the development of a self-sufficient domestic supply chain, the demand for our cross-border supply chain solutions could be significantly impacted. Such initiatives and/or measures could lead to a fundamental shift in supply chain dynamics, potentially decreasing the reliance on our cross-border supply chain solutions. This shift would likely encourage manufacturers to source more components locally, thereby reducing the volume of imported electronics. Consequently, our business operations and revenue generation, which are heavily dependent on facilitating the import of these electronics, could be adversely affected.

Our diversification strategy into other industrial verticals, including home-use smart devices and portable diagnostic devices with a view to enhancing the resilience of our business in the rapid changing international trading landscape may not achieve the level of success as anticipated, if at all.

We operate in a highly competitive and fragmented industry, and there is no assurance we will be able to compete successfully.

The supply chain solutions industry is intensely competitive and characterized by a large number of market players. Many areas in which we operate evolve rapidly with innovative and disruptive technologies, shifting customers' preferences and needs, price sensitivity of customers, and frequent introductions of new services.

Some of our current and potential competitors may have significant pricing, marketing or operating advantages as compared to us. If our competitors take predatory pricing positions or decide to grow their business by spending significant amounts on sales and marketing efforts, our ability to retain existing customers and acquire new customers may become limited, which could adversely impact our business operations, results of operations and prospects. Competitors who are able to adopt new and disruptive technologies ahead of us or better anticipate shifting customer needs could gain a significant competitive edge, which could in turn negatively impact our established market position and competitiveness. For example, some of our competitors may be able to better and more efficiently leverage advanced analytics, automation, and/or AI to optimize their processes and offer enhanced supply chain solutions at competitive prices.

There is no assurance that we will be able to maintain our market position and compete effectively by adapting promptly to changes in the industry. Failure to do so could result in material adverse impact on our business operations, results of operations and prospects.

We rely on leased properties for our business operations.

We rely on leased properties for our business operations, including our office premises, warehouses and employee dormitories located in Chinese Mainland and Hong Kong. Please refer to "*Business — Property — Leased properties*".

We may not be able to successfully extend or renew such leases upon expiration, on commercially reasonable terms or at all. Our landlords could increase the rent or impose more stringent payment terms when negotiating the renewal of our leases, which could in turn adversely affect our profitability and results of operations.

As disclosed in "*Business — Property — Leased properties*", there are certain issues relating to our leased properties. In the worst case scenario we may not be able to enforce the relevant lease agreements to continue occupying and using the relevant leased properties and have to seek alternative premises for relocation.

Any unplanned relocation may disrupt our operations and we may incur relocation costs and capital expenditures for the installation and configuration of warehousing facilities and technology systems. Further, we may compete with other businesses for premises at certain locations or of desirable size and there is no assurance that we will be able to relocate such operations to suitable alternative premises in a timely manner or at all. Any of the foregoing could adversely affect our business operations, results of operations and prospects.

We rely on our suppliers to deliver integrated supply chain solutions to our customers. Any increase in the pricing of and/or deterioration in the quality of the services provided by our suppliers may have a material adverse impact on our business operations, results of operations and prospects.

Our ability to provide integrated supply chain solutions to our customers depends on the availability, reliability, and quality of services offered by our suppliers, such as third-party logistics providers, over which we have limited control. There is no assurance that we will be able to maintain seamless integration of these services to ensure efficiency and effectiveness of our supply chain solutions.

For example, we were able to obtain more favourable terms than market from our logistics services providers on account of our recurring, large business volume and long term business relationship with them. However, there is no assurance this will always be the case. If the pricing of services provided by our suppliers increases and we are unable to pass on these additional costs to our customers, our profitability could be adversely affected. For instance, transportation fee as a percentage of our Income from Ordinary Course of Business has increased from 13.0% in FY2024 to 20.3% in FY2025. The pricing of our suppliers could be influenced by various factors, including market demand, regulatory changes, and economic conditions.

Further, we have limited control and supervision over the service delivery of our suppliers. There is no assurance that our suppliers will always have the capacity to meet our demands or adhere to our service requirements. Any failure on their part to deliver consistent and high-quality services can lead to operational inefficiencies, delays, and customer dissatisfaction. There is no assurance we will be able to identify suitable alternative suppliers in a timely manner, if at all.

Failure to manage any of the foregoing supplier-related risks could result in material adverse impact on our business operations, results of operations and prospects.

Our financial position and results of operations could be materially adversely impacted if our expenditure on new warehouses and related equipment does not align with customer demand or if there is a lack of funding for these investments.

To facilitate our future expansion, including the entry into new markets by establishing new operating locations, we may incur substantial capital expenditures. Our operations may require significant expenditure on warehouses and equipment, the amount and timing of which depend on various factors, including anticipated order volume and the price and availability of appropriate premises that could be re-fitted as our warehouses. If our anticipated demand for warehouses or related equipment differs materially from actual usage, our operations may either fall short of or exceed optimal capacity. In the case of underutilization, we may incur unnecessary costs for maintaining excess capacity, leading to reduced operational efficiency and profitability. Conversely, if demand exceeds our expectations, we may face shortages in space or equipment, resulting in potential delays, increased operational costs, and an inability to meet customer demand. Both scenarios could negatively impact our financial performance and overall business operations.

Our expenditure on warehouses and related equipment depends on our ability to generate cash flow from operations and our access to credit, debt and equity capital markets. There is no assurance we will be able to secure the necessary funding for expansion without adversely affect our day-to-day operations. Even with sufficient funding, warehouses and related equipment that best suit our needs may not be available at reasonable prices or at all. For example, warehouse resources may be scarce in an area that best fits our network expansion plan due to local zoning plans or other regulatory controls. In addition, we are likely to incur material expenditures prior to realising any of the anticipated benefits, and the return on the expenditures may be lower, or may be realised more slowly, than we expected. Furthermore, the carrying value of the related assets may be subject to impairment, which may adversely affect our financial conditions and operating results.

Our operations may be subject to transfer pricing adjustment.

We engage in intra-group transactions among our subsidiaries to deliver services to our customers. Such intra-group transactions involve transfer pricing arrangement. During the Track Record Period, such intra-group transactions had primarily involved procurement agent services among our subsidiaries. For details of our intra-group transactions and transfer pricing arrangements, please refer to "*Business — Intra-group transactions*". According to regulations concerning transfer pricing between associated enterprises, intra-group transactions should comply with the arm's length principle. If the intra-group transactions fail to comply with the arm's length principle, the relevant tax authority has the power to make an adjustment following certain procedures.

There is no assurance that competent tax authorities will not subsequently challenge our transfer pricing arrangement or that the relevant regulations or standards governing such arrangement will not be subject to future changes. If a competent tax authority later determines that the transfer prices and terms that we have applied are not in compliance with the applicable transfer pricing rules and regulations, such authority may require us to re-assess the transfer prices, re-allocate the income, and/or adjust the taxable income, in order to reflect the accurate taxable income and/or pay all outstanding tax and statutory interest, if any. Any such reallocation or adjustment may result in a higher overall tax liability for us and may adversely affect our business, operations and financial results.

We offer select customers with advanced cash payments as a value-added service of our supply chain solutions to expedite the settlement and customs clearance process, which subject us to credit risks associated with such customers.

As a value-added service of our supply chain solutions to enhance the liquidity of their supply chain, we offer select customers advanced cash payments of purchase price for goods for settlement with international suppliers and tariffs and VAT payable at customs clearance using our own funds. For details, please refer to "*Business — Our Business model — Our import solutions — Flow of funds*".

This subjects us to credit risks associated with such customers, who may fail to meet their repayment obligations to us, due to bankruptcy, lack of liquidity, operational failures, or other financial difficulties. The assessment and management of credit risk require significant judgment and resources, including diligent evaluation of a customer's creditworthiness prior to the provision of credit limit, and ongoing monitoring of their financial condition. There is no assurance that our control measures will be sufficient to prevent financial losses that could have a material adverse effect on our financial condition and results of operations. There is also no assurance that our customers will always provide true, accurate and up-to-date credit information and other relevant assessment information to us. Efforts to recover outstanding debts may result in significant legal and administrative costs, further affecting our profitability.

Certain customers had in the past defaulted on their repayment obligations to us. During the Track Record Period, such defaulted repayment amounted to approximately RMB0.5 million, RMB2.7 million and nil in FY2023, FY2024 and FY2025, respectively. While we have implemented various measures to assess and manage credit risks (such as obtaining collateral and personal guarantees where appropriate to do so), there is no assurance such measures will always be effective. Any significant bad debt arising from our customers' defaults on their repayment obligations to us could have a material adverse impact on our business operations, results of operation and prospects.

If customs authorities later disagree with the classification and/or value of imported items, which could affect the tax payable, and request additional payments to make up for the difference, we may need to bear such additional payment upfront and seek reimbursement from our customers.

As part of our import supply chain solutions, we assist our customers in classifying their items based on standard customs codes, and in assessing and managing any import taxes payable based on such classification and value of the items. However, there is a risk that customs authorities may later disagree with the classification and/or value of the imported items and subsequently require a higher tax payment. In such cases, we may be obligated to settle the increased tax amount upfront with the customs authorities. While we have the right under our contract with our customers to seek reimbursement from our customers for the tax difference, as a practical matter there is no guarantee that we will be able to secure such payment. This recovery process, which could occur after the import and delivery of the relevant items to our customers, could be challenging and may result in adverse financial impact on us if our customers are unwilling, unable or unreasonably delay to reimburse us. Consequently, this could impact our cash flow and profitability and potentially adversely affect our customer relationships.

Our sanctions screening measures may not always be effective.

The complexity and constantly evolving nature of international sanctions regimes present significant challenges to our business. Sanctions lists are frequently updated, and new restrictions may be imposed with little notice, increasing the difficulty of ensuring real-time compliance. Any dealings with SDNs, Blocked Persons, or other sanctions targets create risks under sanctions laws. New requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in certain of our business activities being deemed to have violated sanctions, or being sanctionable, or may also require us to discontinue our arrangements with counterparties in such jurisdictions or elsewhere, or prevent us from having dealings in jurisdictions subject to such U.S. sanctions. Additionally, the sophisticated methods employed by sanctioned parties to evade detection, including the use of shell companies, complex ownership structures, and indirect financial channels, may limit the effectiveness of our screening measures.

There is no assurance that we will not have any instances of violations of sanctions laws or regulations in the future. Violations of sanctions laws and regulations, or engaging in sanctionable conduct, could expose us to potential civil or criminal penalties or sanctions designations under the relevant applicable sanctions laws, which may have material adverse consequences on our business operations, results of operation and prospects. In addition, Applicable Sanctions Laws are constantly evolving and new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions or being sanctionable. We cannot entirely exclude the risk of any changes in Applicable Sanctions Laws resulting in us having greater exposure to penalties under Applicable Sanctions Laws in connection with future transactions. Our internal control and risk management measures may not be able to react timely or comprehensively to such changes. There is no assurance that our activities in any particular country or region will be in compliance with evolving Applicable Sanctions Laws or that they will not result in negative media attention or reputational damage.

Our insurance coverage may not be adequate.

We have obtained insurance policies to cover certain potential risks and liabilities that may arise in the course of our business operations. Our management currently considers our insurance coverage to be sufficient for our operational needs. However, there can be no assurance that our existing insurance coverage will be adequate to cover all potential losses in the future or that we will be able to successfully claim our losses when they occur. This uncertainty poses a significant risk to our financial stability and operational continuity.

There is no assurance that future events will not result in significant claims. The nature of our business exposes us to various risks, including operational disruptions, legal liabilities, and property damage. Should any of these risks materialize, the financial impact could be substantial, and our current insurance coverage may not be sufficient to fully compensate us for the losses incurred.

Further, there is no assurance that we will be able to renew our insurance policies on terms and conditions that are acceptable to us, or at all. The insurance market is subject to fluctuations, and renewal terms could be influenced by a range of factors including our claims history, changes in the insurer's risk assessment, and broader market conditions. If we are unable to renew our insurance policies on terms favourable to us, or if the cost of renewal significantly increases, it could adversely affect our business operations, results of operations and prospects.

The trend towards outsourcing of supply chain processes by PRC companies may diminish or reverse, which could lead a significant decline in demand for our supply chain solutions.

Our business has significantly benefited from the increasing propensity of PRC companies to outsource their supply chain processes. This trend has been a key driver of our growth and is central to our strategic expansion of service capability. According to Frost & Sullivan, the outsourcing of supply chain processes by PRC companies, particularly SME companies, has shown a steady increase over recent years, reflecting a broader trend of PRC companies adopting the approach of focusing their resources on their core operations. However, there is a risk that this trend could diminish or even reverse in the future.

Several factors could contribute to such a shift. Economic shifts, such as a downturn in the global economy or changes in trade dynamics, could lead companies to reconsider their outsourcing strategies. Policy changes, including new regulations or incentives aimed at encouraging domestic management of supply chains, could also impact the outsourcing trend. Additionally, advancements in technology, such as automation and artificial intelligence, could enable companies to handle more of their supply chain processes in-house efficiently to achieve cost savings. Moreover, if some of our customers, particularly SME customers that are transitioning into large-scale enterprises, take a strategic move towards in-house management of supply chain processes, they may pursue a strategy of supply chain integration to gain better control over their operations, reduce costs, and enhance responsiveness to market conditions. If this trend towards in-house management gains momentum, it could lead to a reduction in the demand for our supply chain solutions and in turn have a material adverse impact on our business operations, results of operation and prospects. In particular, if trade tariffs are imposed on the import of certain items into the PRC, our customers may seek alternative domestic suppliers for such items in the PRC and reduce their reliance on international import, which could in turn negatively affect the demand for our import supply chain solutions. There is no assurance we will be able to revise our business model and growth strategy promptly, if at all, to sustain our business growth.

The relevant PRC authority may require us to make up social security and housing fund contributions in full and/or impose penalties on us.

During the Track Record Period, we had not made full contributions to social insurance and housing provident fund for our employees in the PRC based on their actual salary (please refer to "*Business — Remuneration and benefits*" for details). There is no assurance that the relevant PRC authority will not order us to make up such contributions in full and/or impose penalties on us. If such risk materializes, our financial condition and results of operations may be adversely affected.

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

We may, from time to time, become subject to lawsuits, claims, disputes, regulatory investigations or legal or administrative proceedings that arise in the ordinary course of business or pursuant to governmental or regulatory enforcement activities. Actions brought against us, with or without merit, may result in administrative measures, settlements, injunctions, fines, penalties, negative publicity, or other results that could have material adverse effect on our reputation, business operations, results of operation and prospects. For example, in August 2023, the Industrial and Technology Development Bureau of Futian District, Shenzhen (the functions of which are currently administered under the Commerce Bureau of Futian District, Shenzhen) issued a written decision to claw back certain subsidies granted to us from 2016 to 2019, amounting to RMB15.4 million in aggregate, recorded as return government subsidies payable as at 31 December 2023, 2024 and 2025. We filed an administrative lawsuit against the relevant government authority in February 2024 requesting the decision be withdrawn, but the court did not rule in our favour. We subsequently appealed to a higher-level court in December 2024, and as at the Latest Practicable Date, the final judgment was pending. If we do not succeed in the appeal, we will need to return RMB15.4 million of subsidies previously granted to us to the Commerce Bureau of Futian District, Shenzhen, which could negatively affect our cash flows. We have made full provision for the foregoing since 2021, which we recorded as "return government subsidies payable" in our consolidated statements of financial position. Such payable was approximately RMB15.4

million, representing only approximately 2.4% of our cash and cash equivalent as at 31 December 2025. However our cash position fluctuates based on operating needs and there is no assurance that we will be able to maintain it at a consistently high level.

Even if we succeed in defending ourselves against these actions, we may incur significant costs and divert management's attention and resources in such defence. In addition, from time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. It is possible that the administrative and court authorities would not interpret and enforce the statutory provisions and contractual terms in a manner favourable to us, and it may be more difficult to predict the outcome of any administrative and court proceedings that we may be involved in the future. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and have an adverse impact on us due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved.

If a trade finance structure transfer spans across reporting periods, we will record a fair value gain/loss and a foreign exchange gain/loss in the current period that is not reflective of the overall income we can actually realize from the arrangement at the end of its tenure.

As discussed in "*Business — Our business model — Our import solutions — Flow of funds*", we generate income from a trade finance structured transfer arrangement as a whole (which can be ascertained and "locked-in" at the time of execution of such arrangement) taking into account the differential between the spot rate at the time of execution of such arrangement and the future exchange rate agreed through the relevant foreign exchange forward contract (the "**FX Differential**"), and the differential between the relevant interest income on large-denomination certificate of deposit and costs of trade finance instrument (the "**Interest Differential**").

In accounting for the FX Differential under IFRS Accounting Standards, we record a fair value gain/loss on the executed foreign exchange forward contract and a foreign exchange gain/loss on the large-denomination certificate of deposits and borrowings under the relevant trade finance instruments over the entire tenure of the trade finance structured transfer arrangement. If such tenure spans across reporting periods, the accounting treatment of the FX Differential is summarised as follows:

(a) For the current reporting period (i.e. the reporting period during which such arrangement is executed), we record a fair value gain/loss on the executed foreign exchange forward contract (based on the difference between the market rate as at the end of the current reporting period and the forward rate agreed in the forward contract) and a foreign exchange gain/loss on the large-denomination certificate of deposits and borrowings under the relevant trade finance instruments (based on the difference between the spot rate at the time of execution of the relevant arrangements and the market spot rate as at the end of the current reporting period).

(b) For the next reporting period (i.e. the reporting period during which such arrangement will conclude), we will record a fair value gain/loss on the executed foreign exchange forward contract and a foreign exchange gain/loss, based on the difference between the gain/loss as recorded in (a) above and the "locked-in" FX Differential.

(c) Therefore, the income recorded by us in the current reporting period and the next reporting period in aggregate will always be equal to the "locked-in" FX Differential which together with the Interest Differential form the overall income that our Group can actually realize from the arrangement at the end of its tenure (which is ascertained and "locked-in" at the date of execution of such arrangement).

Accordingly, with respect to a trade finance structured transfer spanning across reporting periods, the fair value gain/loss and foreign exchange gain/loss we record in the current reporting period is not reflective of the overall income we can actually realize from the arrangement at the end of its tenure, the extent of which is subject to market conditions as at the end of the current period, over which we have no control, and could affect how our financial performance is evaluated based on our current reporting period financials.

We are exposed to risks relating to our derivative financial instruments measured at fair value. Fluctuations in their values would affect our results of operations.

During the Track Record Period, we had derivative financial instruments that were primarily related to the foreign exchange forward contracts that we had entered into with commercial banks in connection with our trade finance structured transfers. By design, we enter into foreign exchange forward contracts to enable us to "lock-in" and ascertain the income that we can realise at maturity of our trade finance structured transfers. For details, please refer to "*Business — Our Cross-border Fund Arrangements — Trade finance structured transfer*". Under IFRS 9, to the extent any such foreign exchange forward contract has yet to mature as at the balance sheet date, we measure its fair value based on the difference between the market rate as at the balance sheet date and the forward rate agreed in the forward contract and record such fair value on our balance sheet as derivative financial assets/liabilities as at such balance sheet date. As at 31 December 2023, 2024 and 2025, we had derivative financial assets of approximately RMB149.4 million, RMB68.6 million and RMB33.9 million, respectively. As at the same dates, we had derivative financial liabilities of approximately RMB135.4 million, RMB74.1 million and RMB30.7 million, respectively. For details, please refer to "*Financial Information — Discussion on major items of financial position — Derivative financial instruments*".

For our derivative financial instruments measured at fair value, factors beyond our control can significantly influence and lead to adverse changes to the market-observable inputs that we use and thereby affect the fair value of such financial instruments. These factors include, but are not limited to, general economic condition, changes in market rates and other market-driven variables. Any of factors could cause the fair values to fluctuate or our estimates to vary from actual results, which could materially and adversely affect our results of operation.

Additionally, judgment and estimation are required in establishing the relevant valuation techniques where market-observable data for our financial instruments are not readily available, which inherently involves a certain degree of uncertainty. Changes in assumptions relating to our valuation could result in material adjustments to the fair value of such financial instruments, which may have a material adverse effect on our financial position and results of operations.

We are subject to risks relating to Third Party Payments, which we had accepted in the past.

During the Track Record Period, certain of our customers (the "**Relevant Customers**") had settled their payments with us through third-party payors, such as the legal representative or business partner of these customers (the "**Third Party Payments**") primarily for their own cash flow management and/or administrative convenience. During FY2023, FY2024 and FY2025, the amount of our service fee that was settled by Third Party Payments accounted for approximately 0.107%, 0.002% and 0.001% of our revenue from supply chain solutions, respectively. Although we have obtained written confirmations from the Relevant Customers and the respective third parties that the respective third-party payors were paying on their behalf, and we have not been involved in any disputes or complaints over the Third Party Payments during the Track Record Period and up to the Latest Practicable Date, there is no assurance that such disputes or complaints will not materialise in the future, which may adversely affect our reputation and business relationships. In addition, while we have considered the circumstances and commercial rationale of each of the Third Party Payments and conducted due diligence review before accepting such payments, and we do not consider that any of such payments had exposed us to internal control risks, such as fraud, money laundering and other illegal activities in connection with these payments, in the worst case scenario should any of these risks materialize, our business operation, financial conditions and operating results could be adversely affected.

As at the Latest Practicable Date, to maintain a high standard of internal control, we have discontinued accepting any Third Party Payments.

Our trade finance structured transfers may have a temporary impact on our cash flow.

By design, we execute each of our trade finance structured transfers to generate a positive overall return, which can be ascertained and "locked-in" at the time of execution, and realized upon maturity. Depending on the terms of the trade finance products available in the market at the time, such trade finance transfer may require us to place an amount of deposit as collateral that is greater than the amount we can draw down under the corresponding trade finance instrument. Therefore, during the period from inception and maturity of such trade finance structured transfer, our cash flow will be impacted. Such impact is temporary and we will realise a net cash generated upon maturity of such trade finance structured transfer.

In FY2024 and FY2025, we had entered into more trade finance structured transfers generally, and the trade finance products containing terms as discussed above were more readily available. Furthermore, as many of such trade finance structured transfers we had entered into had a maturity date beyond 31 December 2024 or 31 December 2025, we had recorded a lower "net cash generated from operating activities" on our consolidated statements of cash flow for FY2024 and FY2025 as compared to FY2023. While our management had ensured that we had been in a sufficient cash position during FY2024 and FY2025 such that the temporary impact on our cash flow due to the forgoing had not in any way negatively affected our operations through comprehensive analysis and monitoring of our operating needs and cash flow, there is no assurance that we will be able to do so in the future, particularly as we expect to enter into more of such trade finance structured transfers to optimize our profitability. Failure to do so could materially adversely affect our liquidity position and in turn our ability to fund our operations and meet our financial needs.

Any improper collection, storage, use or disclosure of information collected in the ordinary course of our business could adversely affect our business and reputation.

During our course of business, we process a large volume of transactional data, including names, address, phone numbers and other contact information of our customers and their suppliers. There may also be confidential information in relation to the contents of the goods imported by us. We are subject to inherent risks in collecting, handling and protecting large volume of data, including protecting the data stored in our system, detecting and prohibiting unauthorized data share and transfer, preventing attacks on our system by outside parties or fraudulent behaviour or improper use by our employees, and maintaining and updating our database. Our reputation could be materially and adversely harmed if there is any system failure, security breach or third-party attacks or attempts to illegally obtain the data that results in any actual or perceived release of user data. We may also be exposed to potential legal liabilities under the applicable laws and regulations and could be subject to liability claims by customers.

We are subject to laws and regulations relating to the use, storage, transfer, disclosure and security of personally identifiable information in relation to our customers and employees in different jurisdictions where we have operations. Please refer to "*Regulatory Overview — Regulations on cybersecurity and data protection*" for further details. Further, regulators have been increasingly focused on regulations in the areas of data security and data protection. Our compliance costs may significantly increase and we may be subject to heightened risks and challenges for potential breaches of data protection. If we are unable to manage these risks, we could become subject to penalties, fines, suspension of business and revocation of required licenses, and our reputation and results of operations could be materially and adversely affected.

We are highly reliant on our information technology infrastructure. If we fail to adopt new information technologies to cater to changing customer requirements or emerging industry standards, our business may be materially and adversely affected.

We are highly reliant on our information technology infrastructure for our business operations. Please refer to "*Business — Our unified IT systems*" for further details.

We are vulnerable to service interruptions or degradation or other performance problems attributable to a variety of factors, including defects, errors or malfunctions, system failures, unexpected high volume of transactions, distributed denial-of-service and other cyberattacks, infrastructure changes, human error, natural disasters, power losses, disruptions in telecommunications services, terrorist attacks, legal or regulatory takedowns, computer viruses, ransomware, malware, or other events. If any such instances or interruptions are prolonged, our business, operations, financial condition, results of operations and cash flows could be materially and adversely affected. While we had not suffered any material loss due to any of the foregoing during the Track Record Period, there is no assurance that such circumstances will not materialise in the future.

Furthermore, we integrate our information technology systems with some of our key account customers' information technology systems as part of our customized supply chain solutions (please refer to "*Business — Our business model — Flow of information*" for details), however, there is no assurance that we will always be able to successfully integrate our information technology systems with those of our customers or may face difficulties in doing so, any of which may adversely affect the quality of our service, our relationship with such key account customers and our reputation.

In addition, to keep up with the latest developments and trends in the supply chain solutions industry and respond to the evolving needs and preferences of our customers, we are required to upgrade our technologies, invest in new technologies and introduce new services from time to time, which could incur significant expenditures and may be subject to licensing or other regulatory requirements. If we cannot anticipate or adapt to the latest technological developments or market trends in the supply chain solutions industry, we may not be able to meet our customers' expectations and evolving needs, and the demand for our services may decline. Furthermore, if our competitors are more sensitive to changes in customer preferences or more responsive to emerging technology in the industry, our supply chain solutions may become less competitive. There is no assurance that we will be able to recover the expenditures associated with the upgrade of existing technologies and the purchase of new technologies. Moreover, rapid technological improvements could, at times, lead to earlier-than-planned obsolescence or redundancy of equipment and result in impairment charges. Any of these circumstances may adversely affect our results of operations, financial condition and growth prospects.

We do not generally verify the contents of the goods purchased by our customers, thereby exposing us to the risks associated with the inadvertent import of goods in violation of applicable regulations.

The import of goods is subject to strict regulatory compliance, including adherence to customs regulations, import restrictions on certain goods, and compliance with international trade laws. While we require our customers to provide a declaration regarding the contents and value of the goods, we do not independently verify these contents unless we discover any red flags. This reliance on customer declarations exposes us to significant risks if the information provided is intentionally inaccurate or misleading. While we have specifically implemented internal control measures with a view to reducing the risks associated with the content of the goods, including (i) due diligence and maintaining a whitelist of the customers' upstream suppliers based on their background, reputation, historical transaction records and financial condition; (ii) reviewing the underlying import/export documents, such as the orders and contracts; and (iii) conducting inspections for red flags, such as visible damage, improper handling, or inconsistencies with customer specifications (e.g. discrepancies between declared and detected weight), there is no assurance such measures will always be effective, particularly when intentional or deliberate efforts are made to mislead us.

If we inadvertently facilitate the import of prohibited, restricted, or misdeclared goods, we may face severe legal and financial repercussions. These could include fines, penalties, seizure of goods, and potential legal action against us. The inadvertent import of non-compliant goods not only could expose us to direct financial costs but also risks damaging our reputation and relationships with regulatory authorities, including our AEO certification status. The legal ramifications could be extensive, involving lengthy and costly legal processes that could disrupt our business operations. Moreover, violations of import regulations could lead to restrictions on our operational capabilities, including a suspension or revocation of our import privileges. Such regulatory actions could severely impact our ability to conduct business and fulfill our customers' needs, leading to a loss of revenue and market share. The operational disruptions caused by regulatory sanctions could also strain our resources and hinder our growth prospects.

If any of the forgoing circumstances materializes in the future, our results of operations, financial condition and growth prospects may be adversely affected.

Non-compliance with laws and regulations on the part of any third parties with which we conduct business could expose us to legal expenses, compensations to third parties, penalties and disruption of our business, which may adversely affect our results of operations and financial performance.

Third parties with which we conduct business, such as suppliers and commercial banks, may be subject to regulatory penalties or punishments because of their regulatory compliance failures or may be infringing upon other parties' legal rights, which may, directly or indirectly, disrupt our business. We cannot be certain whether such third party has violated any regulatory requirements or infringed or will infringe any other parties' legal rights, which could expose us to legal expenses or compensation to third parties.

The delivery of goods also involves inherent risks. Our third-party logistics suppliers often manage a substantial number of vehicles and personnel in transit, which exposes them to various transportation safety risks. These risks include, but are not limited to, road accidents and damage or loss of goods during transit. The insurance maintained by them may not fully cover the liabilities caused by transportation related injuries or losses.

We, therefore, cannot rule out the possibility of us incurring liabilities or suffering losses due to any non-compliance by third parties. For example, if any goods transported by us is damaged, lost or seized due to the mishandling of goods or regulatory non-compliance by any abovementioned third parties during the transportation process, we may be subject to investigation, fines or incur losses. There is no assurance that we will be able to identify irregularities or non-compliance in the business practices of third parties, or that such irregularities or non-compliance will be corrected in a prompt and proper manner. Any legal liabilities and regulatory actions affecting third parties involved in our business may affect our business activities and reputations, and may in turn affect our results of operations and financial performance.

Moreover, regulatory penalties or punishments against our business partners, even without resulting in any legal or regulatory implications upon them, may nonetheless cause business interruptions or even suspension of the activities of these business partners, and may result in abrupt changes in their business emphasis. Any of such changes could disrupt our usual course of business and result in material negative impact on our business operations, results of operation and prospects.

We are required to obtain, renew or maintain permits, licenses and approvals to operate our business, and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in adverse impact on our business operations, results of operation and prospects.

For details of the material permits, licenses and approvals relating to our business and operations, please refer to "*Business — Licenses and permits*".

If we fail to obtain or renew such permits, licenses and approvals, in a timely manner or at all, our business, results of operations, financial condition and cash flows could be adversely affected. Such permits, licenses and approvals are subject to numerous conditions and there is no assurance that these would not be suspended, cancelled or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. For example, we obtained the AEO Advanced Certification in 2014 and became one of the earliest enterprises with such qualification in China. The AEO Advanced Certification enables us to improve our efficiency in providing our integrated supply chain solutions. To maintain this benefit, we are required by the applicable regulation to undertake quinquennial internal audit and undergo the inspection by competent authority, which covers a wide range of business, operation and financial compliance review. The details of our AEO Advanced Certification are set out in "*Business — Licenses and permits*". While we had not faced any instances of material losses or adverse impacts on our business and operations due to any of the foregoing during the Track Record Period, there is no assurance that such circumstances will not materialise in the future. If we fail to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties or have our approvals and permits revoked, any of which could adversely affect our business operations, results of operation and prospects.

Fluctuations in foreign currency exchange rates may lead to volatility in foreign currency exchange losses and thus could affect our results of operations and financial performance.

Our reporting currency is in Renminbi. The value of RMB against the U.S. dollar, Hong Kong dollar and other currencies fluctuates, which is subject to changes resulting from the PRC government's policies and mainly depends on domestic and global economic and political development as well as supply and demand of currencies in the local markets. With the development of the foreign exchange market and progress toward interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that Renminbi will not appreciate or depreciate significantly in value against Hong Kong dollar, the U.S. dollar or other currencies in the future.

Moreover, the [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. Any appreciation of Renminbi against the U.S. dollar, Hong Kong dollar or any other currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. In addition, any fluctuation of Renminbi may affect the value of, and any dividends payable on, our Shares in foreign currencies, and to the best of our knowledge there are limited instruments available to us to reduce our exposure to such foreign currency risk at commercially acceptable costs. Furthermore, we are also currently required to go through certain SAFE procedures before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, results of operations, financial performance and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currencies.

If we are unable to recruit, train and retain qualified personnel or if we fail to do so in a cost efficient manner, our business may be materially and adversely affected.

We intend to hire additional experienced employees to support our business operations and planned expansion. Our future success depends, to a significant extent, on our ability to attract, train and retain qualified personnel, particularly technical and operational personnel with expertise in the integrated supply chain solutions industry or other areas we expand into. The effective operation of our managerial and operating systems, supply chain infrastructure, customer service centre and other back-office functions also depends on the high performance of our management and employees. However, we cannot assure you that we will be able to attract or retain appropriate talent that we will need in order to achieve our strategic objectives.

Our future success also depends heavily upon the continued services of our senior management and our key employees in various corporate functions, who have contributed significantly to our current achievements. If we are unable to retain the management and key employees required to achieve our business objectives, our business could be severely disrupted.

Demand for our supply chain solutions is subject to seasonality.

The seasonal nature of some of our customers' businesses, which are primarily located in the PRC, could render our results of operations to fluctuate, and our quarterly or half year results may not reflect our full year results. Generally, we expect customer demand for our supply chain solutions can be seasonal, with slower demand in the first quarter of the year due to the long statutory holidays, such as the Chinese New Year. Other events, such as COVID-19 and imposition of trade tariffs and barriers, particularly those arising from geopolitical tensions, may also disrupt the demand pattern for our supply chain solutions.

Our historical financial and operating results may not be indicative of our future performance.

Our financial condition and results of operations may fluctuate due to a number of factors, many of which are beyond our control, including: (i) our ability to retain and increase the number of our customers; (ii) our ability to obtain favourable terms and conditions from the financial institutions we cooperate for our operation of cross-border fund arrangement; (iii) our success in expanding the market share of our cross-border supply chain solutions and our sales network; and (iv) our success in marketing and promoting our brands and solutions.

In addition, we may not be able to sustain our historical growth rates in future periods, and we may not be able to sustain profitability on an interim or annual basis in the future. Our historical results, growth rates and profitability may not be indicative of our future performance. Our Shares could be subject to significant market volatility should our earnings fail to meet the expectations of the [**REDACTED**] community. Any of these events could cause the market price of our Shares to materially decrease and in turn, further harm our business, financial condition and results of operations.

We may not be successful in implementing our acquisition plans.

As part of our growth strategy, we may acquire businesses, technologies, services, or products that are complementary to our existing supply chain solutions business. For example, we intend to expand our warehouse operations by acquiring suitable targets. However, the acquisition approach carries several potential risks.

Our ability to effectively integrate new operations, services, and personnel from acquired businesses is crucial for realizing the anticipated benefits of such acquisitions. The integration process can be complex and time-consuming, requiring significant management attention and resources. Any failure to integrate these new entities successfully could disrupt our existing operations and negatively impact our business performance. Moreover, acquired businesses may come with unforeseen or hidden liabilities that were not identified during the due diligence process. These liabilities could result in financial losses or legal complications that adversely affect our financial condition. The thoroughness of our due diligence is critical for identifying and mitigating such risks, but there is no guarantee that all potential issues will be uncovered. The process of acquiring and integrating new businesses can also divert significant resources, including management's attention and our financial resources, away from our existing business operations. This diversion could hinder the execution of our core business strategies and reduce operational efficiency. Additionally, there is a risk that the newly acquired businesses may not generate sufficient revenue to offset the additional costs incurred. This mismatch could lead to financial strain and reduce our profitability.

The expenses associated with acquisitions, including legal, accounting, and advisory fees, can be substantial. These costs may not always be recouped through the operations of the acquired businesses, adversely impacting our financial results. Furthermore, the integration of new businesses could potentially lead to a loss of key employees or harm relationships with existing customers. Disruptions or dissatisfaction during the integration process could result in employee turnover or customer attrition, both of which could negatively impact our operations and revenue.

The complexity and challenges associated with future acquisitions necessitate careful planning, thorough due diligence, and effective integration strategies. Failure to address these risks adequately could undermine our growth objectives and financial stability.

We face risks related to other unforeseeable events, such as outbreak of contagious diseases, including COVID-19, occurrence of force majeure events, regulatory changes and/or natural disasters, which could significantly disrupt our operations.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreaks of widespread health epidemics, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Outbreaks of contagious diseases and other adverse public health developments could severely damage our logistics and warehousing operations, or impair the works of our workforce. The outbreak of any severe epidemic disease, such as avian flu, H1N1 flu, SARS or the COVID-19, may disrupt our business operations such as our warehousing operations in particular, which could negatively affect our financial condition, results of operations, supply chain management and future prospects. The COVID-19 pandemic, in particular, had a marked impact on our business operations and financial performance. For details of such impact, please refer to the section headed "*Business — Impact of COVID-19 pandemic*" in this document. Although the World Health Organization has declared that the COVID-19 pandemic is no longer a global health emergency, we cannot assure you that there will not be a recurrence of the COVID-19 pandemic or similar event of that scale and gravity. Should there be a recurrence of the COVID-19 pandemic or similar event of that scale and gravity, stringent measures may be taken to protect the public health, which could materially and adversely affect our business operations, results of operations and prospects.

Environmental, social and governance matters may impact our business and reputation.

As global initiatives focus on low-carbon transitions and the PRC moves toward carbon neutrality, the PRC government may introduce new regulations and policies enforcing stricter environmental standards. Such tightened regulations may increase our costs related to environmental protection, thereby potentially affecting our operational results and financial condition negatively. In response to the awareness of environmental, social and governance matters, we have integrated risk factors related to sustainability, including compliance with regulations, environmental protection and social responsibility, into our consideration to mitigate associated impacts and develop best practices in order to achieve long-term growth and sustainability of our business. Please refer to "*Business — Environmental, Social and Corporate Governance*" for further details. Despite these efforts, we cannot guarantee the effective implementation of the relevant governance protocols, including the identification and mitigation of related risks. Failure to comply with these requirements in a timely manner could materially and adversely affect our business operations, results, and financial condition.

RISKS RELATED TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

We may be subject to filing procedure and other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities and future major events.

As the PRC laws and regulations in relation to overseas issuance and [**REDACTED**] of [**REDACTED**] develop, we are required to make filings with or report to CSRC or other PRC regulatory authorities for our future capital raising activities.

On 6 July 2021, relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions enhanced administration and supervision on overseas listing by PRC-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by PRC based oversea-listed companies.

On 17 February 2023, the CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") and five supporting guidelines, which came into effect on 31 March 2023. The Trial Measures comprehensively improved and reformed the prior regulatory regime for overseas listing of securities of PRC domestic companies and had regulated both direct and indirect overseas listing of PRC domestic companies' securities by adopting a filing based regulatory regime.

According to the Trial Measures, domestic companies seeking to offer or list securities overseas, whether directly or indirectly, must complete the filing procedure and report relevant information to the CSRC. Additionally, they must follow similar procedures and report to the CSRC in the case of subsequent offering or major events. Failure to fulfil these requirements, omission of material facts, falsification of content, or inclusion of misleading statements in filing documents can lead to administrative penalties for the domestic company. These penalties may include orders to rectify, warnings, and fines. Moreover, controlling shareholders, actual controllers, the responsible person, and other liable individuals may also face warnings and fines.

If it is determined that we must comply with any filing or authorization requirements imposed by the CSRC or other PRC governmental authorities for future fundraising activities or other significant events, and we fail to complete these filings or meet these requirements in a timely manner or at all, we could face sanctions from the CSRC or other PRC regulatory bodies. If we are found to be non-compliant with the Trial Measures and thus unable to complete the filing with the CSRC, we may need to delay or cancel our future fundraising activities. Any uncertainties or negative publicity related to these filings or requirements could significantly and adversely impact our business, prospects, financial condition, reputation, and the market price of our Shares.

The interpretation and implementation of laws of the PRC may affect the protection available to us and to our Shareholders.

The PRC legal system is based on written statutes and court decisions have limited precedential value. Laws and regulations are subject to amendment from time to time. As a result, Shareholders need to form a reasonable expectation regarding the legal protections available to them under the PRC system.

From time to time, we may have to resort to administrative and judicial proceedings to enforce our legal rights. The outcome of an administrative or judicial proceeding may be subject to PRC judicial and administrative authorities' interpretation and implementation based on current laws and regulations.

Furthermore, the PRC legal system may also be influenced by government policies, the interpretation and implementation of which by the PRC administrative authorities may affect our contractual, property and procedural rights, as well as our business, results of operations and financial condition.

Policies regarding currency conversion may impact our ability to use capital effectively and our financial condition, operations and our ability to pay dividends.

The conversion of Renminbi into foreign currency has to comply with the relevant laws and regulations, and conversion and remittance of foreign currencies are subject to PRC foreign exchange regulations. There is no assurance that, under a certain exchange rate, we will have sufficient foreign currencies to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends following completion of the [**REDACTED**], do not require prior approval from SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the requisite licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by SAFE. There is no assurance that we will be able to receive these approvals in time, or at all. This could restrict the ability of our PRC subsidiaries to obtain debt or equity financing in foreign currencies.

The existing foreign regulations allow us, following completion of the [**REDACTED**], to pay dividends in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, there is no assurance that the PRC government will continue to adopt this policy going forward. If we fail to fulfill the requirements of the PRC foreign exchange control system, we may not be able to pay dividends in foreign currencies to our Shareholders.

Our ability to access credit and capital markets may be adversely affected by factors beyond our control.

Interest rate increases by the PBOC or market disruptions may increase our cost of borrowing or adversely affect our ability to access sources of liquidity upon which we may use to finance our operations and satisfy our obligations as they become due. We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges. There can be no assurance that the anticipated cash flow from our operations will be sufficient to meet all of our cash requirements, or that we will be able to secure external financing at competitive rates, or at all. Any such failure may adversely affect our ability to finance our operations, meet our obligations and/or implement our growth strategy.

You may experience difficulty in effecting service of legal process, enforcing foreign judgments or bringing original actions in the PRC based on foreign laws against us and our Directors and senior management.

The majority of our senior management members reside in the PRC, and most of the assets of our Group are located in the PRC. Therefore, it may be difficult for [**REDACTED**] to effect service of process upon those persons inside the PRC. However, judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) are met.

We may be considered a "resident enterprise" under the EIT Law and income tax on the dividends that we receive from our PRC operating subsidiaries may increase.

Our Company was incorporated in the Cayman Islands with limited liability. We conduct most of our business through operating subsidiaries in the PRC. Under the EIT Law, enterprises established under the laws of foreign countries or regions and whose "*de facto* management bodies" are located within the PRC are considered "resident enterprises" and thus will generally be subject to enterprise income tax at the rate of 25% on their global income. On 6 December 2024, the State Council adopted the Implementing Regulations for the EIT Law of the PRC (《中華人民共和國企業所得稅法實施條例》), effective as at 20 January 2025, which defines the term "*de facto* management bodies" as "bodies that substantially carry out comprehensive management and control on the business operation, employees, accounts and assets of enterprises". Currently, our management is primarily based in the PRC, and may continue to be based in the PRC in the future. It is unclear whether tax authorities will treat an overseas enterprise invested or controlled by another overseas enterprise and ultimately controlled by Hong Kong individual resident(s) as a PRC resident enterprise, as in our case.

If we were considered a PRC resident enterprise, we would be subject to enterprise income tax at the rate of 25% on our global income, and any dividend or gain on the sale of our Shares received by our non-resident enterprise Shareholders may be subject to a withholding tax at a rate of up to 10%. If our global income were to be taxed under the EIT Law, our financial position and results of operations would be materially and adversely affected.

In addition, if the Hong Kong subsidiary we established as a holding company in our group, namely Hong Kong Union Honest, which presents as the direct and sole shareholder of all our PRC subsidiaries, was also be considered a PRC resident enterprise, it is unclear under the EIT Law as to the detailed qualification requirements for the exemption of dividend payments between qualified PRC resident enterprises from enterprise income tax and whether dividend payments by our PRC operating subsidiaries to the Hong Kong subsidiary would meet such qualification requirements.

There are uncertainties with respect to indirect transfers of assets (including equity interests) of our PRC subsidiaries.

In February 2015, the SAT issued the Announcement on Certain Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (as amended on 17 October 2017 and 29 December 2017) ("**Circular 7**"), which abolished certain provisions in the Notice on Strengthening the Administration of Enterprise Income Tax on Non-Resident Enterprises (《關於加強非中國居民企業股權轉讓所得企業所得稅管理的通知》) ("**Circular 698**"), which was previously issued by the SAT in December 2009, as well as certain other rules providing clarification on Circular 698. Circular 7 provides comprehensive guidelines relating to, and also heightens the PRC tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a PRC resident enterprise ("**PRC Taxable Assets**").

Circular 7 specifies that the PRC tax authorities are entitled to reclassify the nature of an indirect transfer of PRC Taxable Assets when a non-resident enterprise transfers PRC Taxable Assets indirectly by disposing of equity interests in an overseas holding company directly or indirectly holding such PRC Taxable Assets by disregarding the existence of such overseas holding company and considering the transaction to be a direct transfer of PRC Taxable Assets if such transfer is deemed to have been conducted for the purposes of avoiding PRC enterprise income taxes and without any other reasonable commercial purpose. It remains unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares on a public market by our non-resident enterprise Shareholders or to any future acquisition by us outside of the PRC involving PRC Taxable Assets. As a result, the PRC tax authorities may deem any transfer of our Shares by our Shareholders that are non-resident enterprises, or any future acquisition by us outside of the PRC involving PRC Taxable Assets to be subject to the foregoing regulations, which may subject our Shareholders or us to additional PRC tax reporting obligations or tax liabilities.

You may be subject to PRC income tax on dividends from us or on any gain realised on the sale or other disposition of our Shares under PRC law.

Under the EIT Law and the Implementing Regulations for the EIT Law of the PRC, subject to any applicable tax treaty or similar arrangement between the PRC and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from sources within the PRC payable to [**REDACTED**] that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have such establishment if the relevant income is not effectively connected with the establishment. Any gain realised on the transfer of shares by such [**REDACTED**] is subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual [**REDACTED**] who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20%, and gains from PRC sources realised by such [**REDACTED**] on the transfer of [**REDACTED**] are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws.

Distribution and transfer of funds may be subject to restrictions under the PRC law.

Our Company is an exempted company incorporated in the Cayman Islands with limited liability and does not have any business operations other than investments in the subsidiaries. Our Company relies entirely on the dividend payments from our subsidiaries.

Under the PRC laws, dividends from our subsidiaries in the PRC may only be paid out of distributable after-tax profit, less any recovery of accumulated losses and allocations to statutory funds which are not available for distribution as cash dividends. Any distributable profit that is not distributed in a given year will be retained and made available for distribution in subsequent years. The calculation of distributable profit under PRC accounting principles is different in many respects from Hong Kong accounting principles.

Distributions by our subsidiaries in the PRC to our Company may be subject to governmental approval and taxation. These requirements and restrictions may affect our ability to pay dividends to our Shareholders. Any transfer of funds from our Company to our subsidiaries in the PRC, either as a shareholder loan or as an increase in registered capital, is subject to registration and/or approval granted by PRC governmental authorities. These limitations on the free flow of funds between our Company to subsidiaries in the PRC could restrict our ability to act in response to changing market conditions in a timely manner.

SAFE regulations may impact our ability to finance our PRC subsidiaries effectively with the [REDACTED] from the [REDACTED], which may affect the value of your [REDACTED] and may make it more difficult for us to pursue growth through acquisitions.

We may finance our equity-controlled PRC subsidiaries with the [**REDACTED**] from the [**REDACTED**] through overseas shareholder loans or additional capital contributions, which require registration with or approvals from PRC government authorities. On January 11, 2017, the PBOC promulgated *the Notice of People's Bank of China on Matters Concerning Macro-prudential Management on All-round Cross-border Financing* (《中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知》) (the "**Notice 9**"). Pursuant to the Notice 9, the foreign invested enterprises may adopt the currently valid foreign debt management mechanism or the mechanism as provided in the Notice 9 at their own discretion. The Notice 9 provides that, the outstanding cross-border financing of an enterprise shall be calculated using a risk-weighted approach, and shall not exceed the specified upper limit. The Notice 9 further provides that the upper limit of risk-weighted outstanding cross-border financing for enterprises shall be 200% of its net assets or capital. Enterprises shall file with SAFE in its capital item information system after entering into the relevant cross-border financing contracts and prior to three business days before drawing any money from the foreign debts. If we provide funding to our PRC subsidiaries through shareholder loans, in the event that the currently valid foreign debt management mechanism applies, the balance of such loans shall not exceed the difference between the total amount of investment our PRC subsidiaries are approved to make under the relevant PRC laws and their respective registered capital and we will need to register such loans with SAFE or its local branches. In the event that the mechanism under Notice 9 applies, the balance of such loans shall be subject to the risk-weighted approach and the net asset limits and we will need to file the loans with SAFE in its information system. In addition, if we finance our equity-controlled PRC subsidiaries through additional capital contributions, these capital contributions must be filed with the MOFCOM or its local counterpart. The PRC government also restricts the convertibility of foreign currencies into Renminbi and use of the [**REDACTED**].

On 30 March 2015, SAFE promulgated Notice of the SAFE on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》(the "**Notice 19**"), which took effect and replaced previous SAFE regulations from 1 June 2015. SAFE further promulgated the Notice of the SAFE on Policies for Reforming and Regulating the Control over Foreign Exchange Settlement under the Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the "**Notice 16**"), effective on 9 June 2016, which, among other things, amended certain provisions of the Notice 19. According to the Notice 19 and the Notice 16, the flow and use of the Renminbi capital converted from foreign currency dominated registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope. Violations of the applicable notices and rules may result in severe penalties, including substantial fines as set forth in the Foreign Exchange Control Regulations of the PRC. For further details, please refer to "*Regulatory Overview — Laws and regulations relating to foreign exchange*". The applicable foreign exchange notices and rules may significantly limit our ability to convert, transfer and use the [**REDACTED**] from the [**REDACTED**] or any [**REDACTED**] of additional equity securities in the PRC, which may adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, or at all, with respect to making future loans or capital contributions to our PRC subsidiaries with the [**REDACTED**] from the [**REDACTED**]. If we fail to complete such registrations or obtain such approvals, our ability to contribute additional capital to fund our PRC operations may be negatively affected, which could adversely and materially affect our liquidity and our ability to fund and expand our business.

RISKS RELATED TO THE [REDACTED]

There has been no prior public market for our Shares, and the liquidity, market price and [REDACTED] volume of our Shares may be volatile.

Prior to the [**REDACTED**], there had been no public market for our [**REDACTED**]. The indicative range of the [**REDACTED**] was determined as a result of negotiations between the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]) and our Company. The [**REDACTED**] may differ significantly from the market price for our Shares following the [**REDACTED**]. We have applied for the [**REDACTED**] of and permission to [**REDACTED**] our Shares on the Stock Exchange. However, even if approved, being [**REDACTED**] on the Stock Exchange does not guarantee that an active [**REDACTED**] market for our Shares will develop following the [**REDACTED**] or that our Shares will always be [**REDACTED**] and traded on the Stock Exchange. We cannot assure you that an active [**REDACTED**] market will develop or be maintained following the completion of the [**REDACTED**], or that the market price of our Shares will not decline below the [**REDACTED**].

The price and [**REDACTED**] volume of our [**REDACTED**] may be highly volatile. Factors such as variations in our revenue, earnings and cash flows and announcements of new investments, strategic alliances and/or acquisitions, fluctuations in market prices for our products or fluctuations in market prices for comparable companies could cause the market price of our [**REDACTED**] to change substantially. Any such developments may result in large and sudden changes in the volume and price at which our [**REDACTED**] will trade.

In addition, stock markets and the shares of companies [**REDACTED**] on the Stock Exchange have experienced substantial price and volume fluctuations from time to time that are not related to the operating performance of any particular company. These fluctuations may also materially and adversely affect the market price of our Shares.

The interests of our Controlling Shareholders may differ from those of our other Shareholders.

Immediately following the [**REDACTED**], without taking into account the exercise of the [**REDACTED**], our Controlling Shareholders will beneficially own [**REDACTED**] of our [**REDACTED**]. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of our other Shareholders, or if our Controlling Shareholders choose to cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, those Shareholders may be disadvantaged by the actions that our Controlling Shareholders choose to cause us to pursue.

Our Controlling Shareholders may have significant influence in determining the outcome of any corporate transaction or other matter submitted to our Shareholders for approval, including mergers, consolidations and the sale of all, or substantially all, of our assets, election of Directors, and other significant corporate actions. Our Controlling Shareholders have no obligation to consider our interests or the interests of our other Shareholders.

[REDACTED] for our Shares will experience immediate dilution.

The [**REDACTED**] is higher than the [**REDACTED**] asset value per Share. Hence, [**REDACTED**] of our [**REDACTED**] will experience an immediate dilution in the unaudited [**REDACTED**] adjusted [**REDACTED**] asset value based on the [**REDACTED**].

Shareholders' interests in our Company may be diluted as a result of additional equity fund raising.

We may need to raise additional funds due to changes in business conditions, or to finance our future plans, whether in relation to our existing operations or any future acquisitions. If additional funds are raised by way of issuing Shares or equity-linked securities other than on a pro-rata basis to existing Shareholders, our existing Shareholders' shareholding may be reduced, the [**REDACTED**] and the [**REDACTED**] asset value per Shares would diminish and/or such newly issued securities may have rights, preferences and privileges superior to the

Shares of our existing Shareholders. There was no prior public market for our Shares. If an active [**REDACTED**] market for our Shares does not develop, the prices of our Shares may be adversely affected and may decline below the [**REDACTED**]. Further, the [**REDACTED**] was the result of negotiations between us and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]). [**REDACTED**] may differ significantly from the market price for our [**REDACTED**] following the [**REDACTED**]. Further, we cannot assure you that an active [**REDACTED**] market will develop or be maintained following completion of the [**REDACTED**], or that the market price of our [**REDACTED**] will not decline below the [**REDACTED**].

[REDACTED] may experience difficulties in enforcing their shareholders' rights because our Company is incorporated in the Cayman Islands, and the protection to minority shareholders under the Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions.

[**REDACTED**] may experience difficulties in enforcing their shareholders' rights because our Company is incorporated in the Cayman Islands, and the protection to minority shareholders under the Companies Act may be different from that under the laws of Hong Kong or other jurisdictions.

Our Company is incorporated in the Cayman Islands and its affairs are governed by, among others, the Memorandum and Articles of Association, the Companies Act and common law applicable in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where [**REDACTED**] may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. A summary of the Cayman Islands company law on among other things, protection of minority Shareholders is set out in Appendix III to this document.

Dividends paid in the past may not be indicative of the amount of future dividend payments or our Group's future dividend policy.

During the Track Record Period, we had declared dividends of approximately RMB210.5 million, RMB313.6 million and RMB142.5 million in FY2023, FY2024 and FY2025, which had been fully paid as at 1 August 2024, 17 June 2025 and 30 June 2025, respectively. The dividends declared and paid as aforesaid do not amount to any guarantee, representation or indication that we must or will declare and pay dividends in such manner in the future or at all. Further details are set out in the section headed "*Financial information — Dividend*" in this document. In particular, we do not have a dividend policy or a pre-determined dividend payout ratio. There is no assurance that we will declare any dividend in the future, or if we declare any dividend, it will be at a level declared prior to the [**REDACTED**].

Our management has significant discretion as to how to use the [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may use the [**REDACTED**] from the [**REDACTED**] in ways that you may not agree with or that do not yield a favourable return to our [**REDACTED**]. By [**REDACTED**] in our [**REDACTED**], you are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses we will make of the [**REDACTED**] from the [**REDACTED**]. Please refer to "*Future Plans and* [**REDACTED**]" in this document for further details.

Future sales or perceived sales or conversion of substantial amounts of our securities in the public market could adversely affect the market price of our [REDACTED] and our ability to raise capital in the future, or may result in dilution of your shareholding.

The market price of our Shares could decline as a result of future sales of substantial amounts of our Shares or other securities relating to our Shares in the public market, or the issuance of new Shares or other securities relating to our Shares or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future [**REDACTED**], could materially and adversely affect the prevailing market price of our Shares and our ability to raise capital in the future at a time and at a price which we deem appropriate. In addition, our Shareholders would experience a dilution in their holdings upon the issuance of additional securities for any purpose. If additional funds were raised through our issuance of new equity or equity-linked securities other than on a pro-rata basis to existing Shareholders, the percentage ownership of such Shareholders could be reduced and such new securities might confer rights and privileges that take priority over those conferred by our [**REDACTED**].

A certain number of our [**REDACTED**] held by our existing Shareholders are or will be subject to contractual and/or legal restrictions on disposal for a period of time after completion of the [**REDACTED**]. Please refer to "[**REDACTED**]— [**REDACTED**] *Arrangements and Expenses —* [**REDACTED**] *pursuant to the* [**REDACTED**]" in this document for further details. After the lapse of the abovementioned restrictions, future sales or perceived sales of substantial amounts of our Shares, or the possibility of such sales by us, could negatively impact the market price of our Shares and our ability to raise equity capital in the future.

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

Distribution of dividends shall be formulated by our Board and will be subject to Shareholders' approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows and financial condition, operating and capital expenditure requirements, distributable profits as determined under IFRS, our Articles of Association, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation, relevant laws and regulations and any other factors determined by our Board from time to time to be relevant to the declaration or suspension of dividend payments. As a result, there can be no assurance whether, when and in what form we will pay dividends in the future. Please refer to "*Financial Information — Dividends*" in this document for further details.

You should read the entire document and we strongly caution you not to place any reliance on any information contained in the press articles, other media and/or research analyst reports regarding us, our business, our industry and the [REDACTED].

There has been, prior to the publication of this document, and there may be subsequent to the date of this document but prior to the completion of the [**REDACTED**], press, media, and/or research analyst coverage regarding us, our business, our industry and the [**REDACTED**]. You should rely solely upon the information contained in this document in making your [**REDACTED**] decisions regarding our Shares and we do not accept any responsibility for the accuracy or completeness of the information contained in such press articles, other media and/or research analyst reports nor the fairness or the appropriateness of any forecasts, views or opinions expressed by the press, other media and/or research analyst regarding our Shares, the [**REDACTED**], our business, our industry or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed or any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this document, we disclaim them. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of information contained in this document only and should not rely on any other information.

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

This document contains certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words "aim", "anticipate", "believe", "could", "estimate", "expect", "going forward", "intend", "may", "might", "plan", "project", "propose", "seek", "should", "target", "will", "would" and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, profitability, liquidity and capital resources and are not a guarantee of future performance. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this document. Subject to the ongoing disclosure obligations of the Listing Rules or other requirements of the Stock Exchange, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. [**REDACTED**] should not place undue reliance on such forward-looking statements and information.

We cannot guarantee the accuracy of certain facts and statistics contained in this document.

Certain facts and statistics in this document have been derived from various official government publications generally believed to be reliable. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. Information derived from official government sources has not been independently verified by us or any of the Sole Sponsor, the [[**REDACTED**], the [**REDACTED**], the [**REDACTED**], the [**REDACTED**],] the [**REDACTED**], the [**REDACTED**] or any of our or their respective directors, officers or representatives or any other person involved in the [**REDACTED**] and no representation is given as to its accuracy. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the facts and statistics in this document may be inaccurate or may not be comparable to facts and statistics produced with respect to other economies. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy (as the case may be) in other jurisdictions. As a result, you should not unduly rely upon such facts and statistics contained in this document.

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

The [**REDACTED**] of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in China that have [**REDACTED**] their securities in Hong Kong may affect the volatility of the [**REDACTED**] of, and [**REDACTED**] for our Shares. A number of PRC-based companies have [**REDACTED**] their securities, and some are in the process of preparing for [**REDACTED**] their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their [**REDACTED**]. The [**REDACTED**] performances of the securities of these companies at the time of, or after, their [**REDACTED**] may affect the overall [**REDACTED**] sentiment towards PRC-based companies [**REDACTED**] in Hong Kong, and consequently may impact the [**REDACTED**] of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.