RISK FACTORS

You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED].

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The industries in which we operate are constantly changing. Should our technologies, business models, services fail to continuously meet evolving customer needs or adapt to market demands, our business, financial condition and operating results may be materially and adversely affected.

The industries in which we operate are characterised by constant changes, including rapidly emerging technological advancements, evolving and innovative business models, ever-changing customer demands and ongoing updates to industry standards. To align with and capitalise on industry developments, we must actively explore new business areas and models while continually investing in advanced technologies, maintaining acute awareness of new technologies, models and industry trends. To this end, we not only need to continuously predict potential industry trends and update our technologies to keep pace, but also need to invest significant resources, such as R&D funding, to develop new technologies, improve the effectiveness of our services, and expand and optimise our service offering, thereby maintaining the innovativeness and competitiveness of our businesses and services. However, innovative businesses and technologies are inherently forward-looking and uncertain. Influenced by factors such as our Company's technology capabilities, operational and management experience and financial resources, such innovations risk failing to meet future market demands or address evolving customer needs, potentially leading to financial losses. If we fail to adjust our strategic direction in a timely manner to respond to market trends, our business and prospects may be adversely affected thus, negatively impacting our operations and financial performance.

We experienced decreases in gross profit margin during the Track Record Period.

Our gross profit margin decreased from 24.4% in 2023 to 18.6% in 2024, and further decreased to 14.3% in 2025. See "Financial Information — Review of Historical Results of Operation" in this document for further details.

We endeavour to improve our profitability by executing business initiatives aimed at achieving sustained and optimised revenue growth, managing our gross profit profile and enhancing operational efficiency. However, our future profitability will depend on a range of factors, including the expansion and performance of our business, competitive landscape, customer preferences and the macroeconomic and regulatory environment. Intensifying market competition within the industries in which we operate, changes in our business structure and focus or initiative may adversely affect our operating performance if we are unable to implement effective countermeasures.

Our revenue may not grow at the rate we anticipate or we may not be able to achieve or maintain an optimal revenue growth in our businesses where the increase in revenue will have a positive effect on our profitability. As a result, we may continue to experience a decrease in gross profit margin or even incur losses in the future, and we cannot guarantee that we will ultimately achieve our projected profitability.

We are exposed to the risk of reliance on a limited number of major media.

In the global digital marketing services market, the substantial user base and high market share of major media, such as Google and Meta, have resulted in a high concentration of traffic procurement for a digital marketing service provider like us. Thus, the continued development of our business, in particular, our integrated marketing services, largely depends on our ability to maintain our relationship with major media.

In 2023, 2024 and 2025, our purchase amount of media traffic from our five largest suppliers in each year of the Track Record Period, all of which are major media, accounted for 79.7%, 83.7% and 82.3% of our total purchase amount of traffic respectively. We highly rely on our five largest suppliers in each year during the Track Record Period to acquire advertising inventories for placement of advertisements on behalf of our advertisers.

We endeavour to maintain stable partnerships with major media and their agents through strict internal controls, compliance with supplier agreements, ongoing market expansion and substantial business scale; however, failure to uphold these standards (e.g., violating platform rules) may result in permanent account suspension or revocation of our partner status by the platforms. If our relationships with these major media deteriorate or terminate, our service capabilities, in particular, those relating to our integrated marketing services, may be severely impacted, which in turn could materially and adversely affect our brand, business, financial condition and results of operations.

If we fail to retain our existing customers and expand our customer base, our financial condition, results of operations and prospects may be materially and adversely affected.

As a digital marketing service provider, the continued development and success of our business depend, to a significant extent, on our ability to retain existing advertisers and attract new advertisers. To maintain and grow our advertiser base, we must consistently deliver increasingly precise and targeted advertising services that maximise their return on advertising spend, provide advertisers with competitive prices and payment terms and continuously expand and optimise our services to meet the evolving market demand.

However, we cannot assure you that our efforts in any such area will be successful and any such failure could result in losses of existing or potential customers, which in turn could have a material adverse effect on our financial condition, results of operations and prospects. In particular, since advertisers are generally not committed to long-term contracts and are not obligated to engage with us on an exclusive basis, they may decrease or terminate their engagement with us or allocate a larger portion of their advertising spend to our competitors if they are dissatisfied with the effectiveness of our services or the result and efficiency of the marketing campaigns for which they have engaged us to design and execute. Furthermore, some of our existing or potential customers, particularly those with significant internal technological and marketing capabilities, may even develop direct relationships with media, which could hamper our efforts in maintaining and expanding our advertiser base.

We face intense competition in relation to our businesses.

We face intense competition in the industries in which we operate. We compete directly with other digital marketing service providers, including independent third-party mobile advertising platforms, as well as major media that sell their traffic to advertisers on their own media directly. In our integrated marketing services, our major competitors comprise major Chinese marketing service providers operating principally in China’s outbound digital marketing services industry, while, in our advertising platform business, we compete primarily with PRC-based independent third-party platforms and major media within the global mobile advertising industry. These major media, which often possess greater pricing control and more influence on the industry, remain dominant players in the global mobile advertising industry while third-party advertising platforms, which focus on the aggregation and monetisation of other media publishers, continuously experience rapid growth and increasingly gain market share.

Our competitive position depends on a spectrum of factors that include pricing, the ROI we deliver for advertisers, access to high-quality traffic and the effectiveness of our technologies. Should any of these factors become unfavourable to us, we may not be able to effectively maintain our competitive advantage against our competitors in the industries in which we operate.

Many of our current and potential competitors may have greater reach, and substantially more financial, technical and marketing resources. Such advantages could allow them to invest more extensively in their research and development, as well as sales and marketing, potentially developing superior services and technology solutions than ours. This heightened competition may lead to reduction in price or profit margins, or a loss of our market share. Any of such scenarios could cause advertisers and publishers to reduce or terminate their relationships with us, directly resulting in diminished access to quality traffic and a decline in our revenue-generating capability. This in turn could materially and adversely affect our business, financial condition, results of operations and prospects.

If our R&D results fail to enhance our technology capabilities or catch up with the rapid technological iteration, we may not be able to achieve better performance for our advertisers' advertisements or greater monetisation efficiency for our publishers' traffic, which could materially and adversely affect our business, results of operations and financial condition.

To maintain our competitive position in the industries in which we operate, we need to make continued enhancement on our technology capability and address emerging market opportunities. If our research and development results fail to enhance our technology capabilities or keep pace with the rapid technological iteration, the advertisements placed through us might not be able to meet the KPIs as agreed with our customers and we might therefore lose our existing customers.

Additionally, shifts in technology or the emergence of new business models may necessitate substantial investment in service development, IT infrastructure and other operational areas. These investments may not succeed for various reasons, including technical obstacles, inaccurate market demand forecasts or insufficient resources. Failure to keep pace with technological developments, new industry business models or the changing needs of advertisers and publishers could render our services less appealing to both existing and potential customers, thereby materially and adversely affecting our business, operating results and prospects.

Several factors could negatively impact our ability to launch new or enhanced services: (i) delays or challenges in developing, integrating, or customising new services; (ii) competitors launching new services before we do, or introducing superior or more cost-effective services; (iii) the development of in-house services by customers that could reduce or eliminate their need for our offerings; (iv) failure to anticipate changes in user acquisition, monetisation and analytics demands; (v) decisions by advertisers to run marketing campaigns, or by publishers to monetise their traffic, without using our services; (vi) inability to adapt to other technological developments; and (vii) failure to respond promptly to the increased adoption of new advertising pricing models.

As a result, our competitiveness in respect of our businesses may be weakened and our business results of operations and financial condition could be materially and adversely affected as a result.

We are exposed to collection risks on our trade receivables and other receivables related to media agency services. Any significant defaults or delays in payment by our advertisers in respect of such trade receivables and other receivables related to media agency services could result in increased bad debts for us and strain our cash flows.

Our operations involve significant exposure to collection risks on our trade receivables and other receivables related to media agency services, which are primarily attributable to the timing mismatch in payments that occurs when, in our integrated marketing services, we may first pay major media for traffic and other advertising spend while collecting funds from the relevant advertisers in relation to its advertising campaign later. As at 31 December 2023, 2024 and 2025, our trade receivables and other receivables related to media agency services amounted to RMB2,183.3

million, RMB2,455.4 million and RMB2,776.3 million. For the years ended 31 December 2023, 2024 and 2025, we recorded impairment losses on trade receivables and other receivables related to media agency services of RMB124.9 million, RMB82.3 million and RMB87.9 million, respectively.

As our business scales, our trade receivables and other receivables related to media agency services balance may continue to increase, thereby increasing our exposure to uncollectible amounts. We generally do not require collateral or other security from our advertisers. Should any of our major advertisers experience a severe deterioration in their operational or financial condition due to internal or external factors, which impairs their ability to pay, we could face the risk of partial or total non-recovery of these receivables.

Furthermore, the financial health of our advertisers may be affected by adverse macroeconomic conditions such as limited access to the credit markets, insolvency or bankruptcy. This could potentially lead to delayed payments, requests for modified payment terms or defaults from or by our advertisers. Any significant defaults or payment delays by our advertisers in respect of our trade receivables and other receivables related to media agency services could result in increased bad debts for us and strain our cash flows and our business, financial condition and results of operations could be materially and adversely affected as a result.

Our historical growth rates may not be indicative of our future growth, and, if we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

We experienced significant and rapid revenue growth during the Track Record Period. Our revenue increased from RMB2,143.3 million in 2023 to RMB3,830.1 million in 2025, representing a CAGR of 33.7%.

However, our historical growth may not be sustainable or indicative of future performance due to various factors, including the unpredictable success of new services and intensifying competition in the industries in which we operate. For instance, while our advertising platform business is slowly growing, its future growth significantly depends on the upgrades of our technologies and certain advertising systems. There is no assurance that the advertisements bid and placed through our advertising systems will be able to achieve the ROI that our customers expect. Furthermore, our revenue, expenses and operating results may fluctuate from time to time due to factors beyond our control, and we cannot assure you that our revenue will continue to grow or that we will remain profitable in the future. Therefore, our past performance should not be relied upon as an indicator of future business performance or financial results.

In addition, our planned expansion and investments in new initiatives will require substantial managerial, operational, financial and human resources. Our existing and planned infrastructure, including personnel, systems, procedures and internal controls, may not necessarily be sufficient to support our future operational scale and complexity. We cannot provide you with any assurance that we will successfully manage our growth, implement necessary upgrades, or execute our strategic plans. Any failure to do so could materially and adversely affect our business and prospects.

Our business is subject to risks arising from inaccurate, fraudulent, or otherwise invalid data, which could materially and adversely affect our business, financial condition and results of operations.

Our business, the effectiveness of our services and the calculation of our fees fundamentally rely on the accuracy and authenticity of performance data. This data comes from multiple sources, including major media, third-party measurement platforms and our own analytics. The quality of this data faces interconnected threats, primarily from inaccurate or fraudulent data supplied by third-party platforms and from invalid traffic within the digital advertising ecosystem. We depend on data from media and third-party partners to evaluate advertisement campaign effectiveness and calculate performance-based service fees. If such data is inaccurate, incomplete or fraudulent, it would impair our ability to optimise campaigns, report accurate results to customers, and correctly calculate the fees to which we are entitled, potentially leading to an understatement of our service revenue. Furthermore, a portion of the traffic and engagement we measure may be invalid, generated by automated bots (malicious software programmes), click farms or other fraudulent methods. This invalid traffic artificially inflates the key performance metrics we track and report, such as impressions, clicks, conversions and return on ad spend, distorting our operational data and hindering true performance measurement and reliable forecasting.

The combined impact of these data integrity risks is significant. They can lead to the simultaneous misstatement of our revenue and the misallocation of customer advertising spend. If customers perceive that their spend is wasted on fraudulent activity or that reported performance data is unreliable, their trust in our platform would be severely damaged, leading to potential customer loss, reduced spending and reputational harm.

Volatility in traffic acquisition costs may materially and adversely impact our profitability and results of operations.

We rely on media to supply advertising space for advertising placement on behalf of our customers in our businesses. Our media costs were RMB1,470.3 million, RMB1,904.7 million and RMB2,987.2 million for the years ended 31 December 2023, 2024 and 2025, respectively, representing 90.7%, 91.9% and 91.0% of our total cost of sales in 2023, 2024 and 2025 respectively. Any fluctuation in these costs could adversely affect our profitability. If we are unable to pass on increases in traffic acquisition costs, either partially or in full, to our customers, our business, financial condition and results of operations could be materially and adversely affected.

Our financial assets measured at fair value are subject to accounting estimate uncertainties, and fair value fluctuations may adversely affect our financial results, and a significant portion of our profit for the year during the Track Record Period was attributed to other net income, which may be materially and adversely affected by such fluctuations.

During the Track Record Period, we invested in various wealth management products, such as structured deposits, debt investments, equity investments and fund investments, with corresponding carrying amounts accounted for as fair value through profit or loss ("**FVPL**") or fair value through other comprehensive income ("**FVOCI**"). As at 31 December 2023, 2024 and 2025, we recorded financial assets measured at FVPL of RMB704.5 million, RMB591.6 million and RMB905.4 million, respectively. As at the same date, we recorded equity securities designated at FVOCI of RMB29.0 million, RMB37.6 million and RMB35.2 million, respectively. For details, see "Financial Information — Description of Selected Items of Consolidated Statements of Financial Position". We may continue to make such investments. We cannot assure you of fair value gains amid uncontrollable external factors, and may incur significant fair value losses that materially and adversely affect our financial condition and results of operations. Lower-than-expected yields, significant fair value fluctuations and valuation uncertainties may also materially and adversely affect our business and financial condition, and may lead to a decline in the value of our investments. Also, our other net income constituted a relatively significant proportion of our profit for the year during the Track Record Period, any adverse fluctuation in the fair value of our financial assets measured at FVPL, or any reduction in investment-related income, could result in a material decline in our other net income and, in turn, materially and adversely affect our overall profitability, financial condition and results of operations.

Our content review and compliance measures might not be able to guarantee advertisement compliance or to detect all inappropriate advertisement creatives we generate or distribute.

Our business involves generating and distributing digital advertising creatives for customers across various media. We produce advertising creatives for our customers, for example, by using our AI-powered Content Generation Model to generate marketing content. During our business operations, all parties involved, including advertisers, publishers and could face potential significant legal risk from advertisements that are inappropriate, illegal or non-compliant with the diverse regulations of different jurisdictions.

We are subject to laws and regulations that obligate us to monitor advertising content to ensure such content is true, accurate and fully compliant with the applicable laws and regulations. To manage these risks, we have implemented content review and compliance measures, including contractual provisions requiring customers to warrant the compliance of their provided materials and a proprietary content review system designed to conduct pre-placement checks and flag campaigns with irregular parameters. Nevertheless, our content review and compliance measures might not be able to guarantee advertisement compliance or to detect and filter all inappropriate advertisement creatives we generate or distribute. As our business scale expands, and considering the differing divisions of responsibility between us and our advertising customers across various business models, there remains a risk of advertising review errors. These errors could arise from a minority of customers deliberately concealing information or providing product materials for review that differ from the final advertising content. In such cases, where a violation of relevant laws and regulations stems from the advertiser's own operational situation or the content they have supplied, we may face the risk of penalties for publishing false advertising or other non-compliant activities. We cannot assure you that all advertising content handled or distributed by or through us is true, accurate and compliant with the applicable laws and regulations in part due to the ambiguities in the interpretation and application of complex and evolving advertising laws. Consequently, our reputation and business depend on providing trusted marketing services to our customers, and any failure of our systems and procedures to adequately and timely detect non-compliant content could subject us to regulatory investigations, penalties, administrative sanctions and reputational harm. Any of these consequences could materially and adversely affect our business, results of operations and financial condition.

Any breach of our cybersecurity measures, including unauthorised access, computer viruses and hacking, could compromise our IT systems and database, diminish customer engagement with us and, in turn, damage our reputation and brand.

We rely extensively on our information technology systems to manage and operate our business. These systems are critical to supporting our services and internal operations. While we in our ordinary course of business mainly serve enterprises instead of individual customers, our IT infrastructure and databases contain data such as proprietary business data, de-identified end-users information and confidential partner information. These systems and data are still potential targets for a wide range of cybersecurity threats, including unauthorised access, computer viruses, hacking, phishing, ransomware and other malicious or disruptive activities.

Although we have implemented protective measures, these defences may be breached due to rapidly evolving attack techniques which are often not identified until deployed. We may be unable to anticipate novel cyberattack methods or implement adequate preventative measures in a timely manner. Any security breach, whether from third-party action, employee error, or system flaws, could compromise the integrity and confidentiality of our systems and proprietary business information. This could lead to operational disruption, service interruptions and the theft of confidential business or partner data.

Such an incident could expose us to liabilities, regulatory scrutiny and costly litigation. Furthermore, any breach would likely damage our reputation and brand, potentially harming our relationships with key advertisers and partners. Any of these outcomes could severely and adversely affect our business, financial condition and results of operations.

Our business is subject to data protection, cybersecurity and privacy laws in all jurisdictions where we operate, including the PRC and other jurisdictions. Failure to comply with, or to adapt promptly to changes in, such laws and regulations could result in fines, litigation, reputational harm and operational disruptions.

As we operate in multiple jurisdictions globally, we are subject to increasingly complex and stringent data, cybersecurity and privacy laws and regulations in all jurisdictions where we operate. Especially, in recent years, the PRC government has enacted multiple laws and regulations concerning cybersecurity, data security and personal information protection that are applicable to our business. The interpretation and application of laws, regulations and standards on cybersecurity, data protection and privacy shall follow the then effective laws and regulations and are still evolving and subject to change that may affect us. We cannot assure you that our data security, cybersecurity and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. See also "Regulatory Overview — PRC Laws, Regulations and Policies — Laws and Regulations relating to Data Security, Cybersecurity and Privacy Protection" for details.

Besides, certain legal and regulatory developments may create legal and economic uncertainties, influence our business operations and the manner in which we and our business partners process data. Compliance with such laws and regulations may entail substantial costs. Furthermore, if our business partners such as advertisers or media prohibit or restrict our collection and use of relevant data, or if countries or regions where we operate enact new data protection and privacy laws, our compliance risks may increase, which could adversely affect our operating performance.

We have implemented various measures to ensure data compliance, such as establishing a data compliance system, appointing a responsible person and instituting strict information confidentiality protocols and operational procedures. We employ technical safeguards such as firewalls and data encryption to ensure the security and reliability of data resource storage and usage. However, the effectiveness of our measures is susceptible to system failures, interruptions, inadequacies, security breaches, or cyberattacks. Should our IT systems be impacted by malicious software, viruses, or targeted hacking attacks, it could disrupt our normal operations or lead to the leakage or loss of data resources, potentially harming our market reputation and operating performance.

We face risks related to data privacy, security and compliance across the jurisdictions in which we operate. Despite our established protocols, our employees, partners, or customers may, through their own actions, cause the improper use of information. Furthermore, we are subject to evolving laws and regulations concerning data privacy and security. While we endeavour to comply with all applicable rules, we cannot guarantee that our measures will at all times be deemed fully sufficient in all jurisdictions. Any actual or alleged failure to comply with such laws, or to address privacy or data protection concerns, could harm our reputation, discourage customers from using our services, and adversely affect our business, results of operations and financial condition. For details, see "Regulatory Overview."

Any significant disruption or failure in our technology infrastructure and IT systems would impair our delivery of service. This could lead to the loss of advertisers and publishers and, in turn, to a material adverse effect on our business and operating results.

Our business operations rely on the effective functioning, stability and security of Internet and telecommunications infrastructure as well as our IT systems. The delivery of our services depends on third-party suppliers that provide cloud computing, data storage, content distribution and delivery and telecommunications services. Furthermore, our advertisement placement relies on the business performance of our publishers. Therefore, any disruption or failure in their information technology or communication systems could diminish the effectiveness of our businesses and may lead advertisers to discontinue their engagements with us. In the past, we have not experienced cloud service failures that resulted in partial data loss. Any significant interruption or malfunction in Internet or telecommunications infrastructure, or any major disruption or failure in our own information technology systems, could hinder our ability to reliably deliver advertisements and provide services to our customers. This may lead to the loss of advertisers and publishers, thereby adversely affecting our business, financial condition and operating results.

Our business is subject to the risks relating to our international operations. Failure to promptly and successfully adapt our overseas services and operations to local market dynamics and regulatory shifts could materially and adversely affect our business, financial condition and results of operations.

We maintain overseas offices and a portion of our revenue is derived from North America, Europe, South America and other regions, apart from the Asia Pacific as we focus on helping Chinese enterprises expand into global markets and addressing their marketing needs in relation to their cross-border businesses. We aim for continued global expansion by strengthening our localisation capabilities in existing regions where we have a physical and market presence and extending our reach through partnerships with local entities. We may also venture into new international markets where we have limited or no prior operational experience, and where demand for our services and technologies may be limited.

However, operating business in the international market or expanding internationally is subject to various risks and uncertainties, including but not limited to: (i) challenges in selecting suitable regions for international expansion and in understanding local market dynamics, customs, legal and regulatory frameworks and cultural norms; (ii) difficulties in recruiting and retaining qualified management and personnel in foreign jurisdictions; (iii) competition from established local service providers which have strong physical and market presence; (iv) protectionist policies and business practices that favour domestic competitors in certain countries; (v) complexities in identifying, engaging and maintaining productive relationships with appropriate local or international business partners; (vi) exposure to political, economic and social instability and even the risks of military conflicts and related disruptions in or affecting the regions in which we operate or which our business or services are extended to or otherwise reach; (vii) the burden of complying with diverse foreign laws and regulations applicable to our business; (viii) compliance with the legal procedures required by relevant laws and regulations for overseas investments, including, but not limited to, obtaining necessary licenses, approvals, filings, and registrations from competent authorities; and (ix) increased operational costs inherent in international business.

Our continued success depends, in part, on our ability to manage these risks, which vary from country to country and are difficult to predict or assess. We may not be able to develop and implement initiatives that address these risks effectively in each region in which we operate or which our business or services are extended to or otherwise reach and, any such failure could adversely and materially affect our reputation, business, financial condition and results of operations.

Our business is subject to risks arising from the international trade policies, the political environment, economic or trade sanctions and investment restrictions, as well as related regulatory measures.

Our business operations span various industries across multiple countries and are exposed to complex international trade environments, geopolitical tensions (such as those between China and the U.S.) and evolving laws and regulations concerning export controls, sanctions and investment restrictions. The interpretation and enforcement of these laws and regulations are often uncertain and may be heightened by national security or political factors. Compliance with such requirements may be difficult or costly and could have a material adverse effect on our operations.

Our business, financial condition and results of operations could also be materially and adversely affected if our customers or suppliers become subject to restrictive measures related to trade protection or export controls, such as new tariffs, economic sanctions, or outbound investment rules, as well as economic or trade sanctions. Our downstream customers are primarily concentrated in internet enterprises in the e-commerce, entertainment and application sectors generally with significant marketing or promotion needs in overseas markets. Should bilateral relations between major countries deteriorate and lead to enhanced restrictions on companies operating in relevant industries (such as Chinese internet companies), the operating environment for our customers could worsen, reducing their demand for overseas advertising and thereby adversely affecting our performance. In extreme scenarios, significant policy shifts (e.g., prohibitions on acquiring traffic on major media or other major platforms) could severely impair our ability to secure stable traffic.

Furthermore, our business, financing and strategic initiatives may be impacted by investment screenings both domestically and abroad. For instance, existing and evolving foreign investment regulations in relevant jurisdictions like the U.S., including restrictions on investments related to specific technologies, could constrain our ability to access capital from U.S. and other sources and impede our pursuit of strategic transactions. In particular, on 28 October 2024, the U.S. Department of the Treasury (the "**Treasury**") issued a final rule on outbound investment (the "**Final Rule**"), to implement the executive order of 9 August 2023, which became effective on 2 January 2025. The Final Rule imposes investment prohibition and notification requirements on U.S. persons (as defined in the Final Rule) for a wide range of investments in entities associated with China (including Hong Kong and Macau), collectively defined as "covered foreign persons", that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) AI systems. In addition, on 18 December 2025, President Trump signed into law the Fiscal Year 2026 National Defense Authorization Act, which includes the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**"). The COINS Act expands the Final Rule's sectoral coverage and geographic coverage. The new rules will not take effect immediately. Instead, the Treasury has 450 days to amend the Final Rule to conform with the provisions set out therein, and the existing Final Rule remains in effect until then. The interpretation, application and potential future amendments of such rules are uncertain and may adversely affect our strategic plans, financial performance and growth prospects.

Unfavourable macroeconomic conditions, such as inflation, foreign exchange volatility and economic recessions, may be exacerbated by trade disputes, tariffs and other political tensions. Despite our efforts to monitor these risks, any uncertainties, including a prolonged economic downturn or an escalation in trade tensions, could affect our business and ability to secure financing, and may have a material adverse effect on our business, prospects, results of operations and financial condition.

We may be unable to prevent the unauthorised use or infringement of our intellectual property. Conversely, we may also face allegations that our services, or technology infringe upon the intellectual property rights of others.

Our success depends significantly on our software copyrights, trademarks, domain names, know-how, proprietary technologies and similar intellectual property. Our business and operations are technology-intensive, involving numerous and extensive intellectual property rights such as software copyrights across internet and other fields. The intellectual property we own is a vital component of our core competitiveness.

A combination of intellectual property laws and contractual measures are used to safeguard these proprietary rights. We consistently adhere to relevant intellectual property laws and regulations, proactively apply for necessary intellectual property protections, and have implemented protocols including code isolation and access control. Such measures also include entering into confidentiality agreements or clauses with employees and partners and incorporating clear intellectual property protection clauses in our cooperation agreements to ensure our rights are fully protected under the law. See "Business — Intellectual Properties".

Nonetheless, despite these efforts, our intellectual property rights could still be contested, invalidated, circumvented, or misappropriated. In the extreme case where our intellectual property is unlawfully infringed upon and we are unable to resolve such infringement in a timely and effective manner, it could harm our market reputation and adversely affect our operations. Our intellectual property may not ultimately secure us a competitive edge.

Upholding and enforcing intellectual property rights is subject to various challenges. Statutory laws and regulations are subject to judicial interpretation and enforcement, which may not be consistent. In the event where counterparties breach confidentiality, invention assignment, or non-compete agreements, we may not have access to sufficient legal remedies. Consequently, we may not be able to fully protect our intellectual property or enforce our contractual rights in all jurisdictions. Deterring unauthorised use of our intellectual property is difficult and costly, and the actions we take might not necessarily be sufficient in preventing the misappropriation of our intellectual property. If we engage in litigation to defend and enforce our intellectual property rights, it could involve substantial costs and divert management attention and financial resources. We cannot guarantee a favourable outcome in any such legal proceedings. Moreover, our trade secrets could be disclosed or otherwise obtained by, or be independently developed by, our competitors. Should our employees or consultants incorporate third-party intellectual property into their work for us, disputes may emerge over the ownership of related know-how and inventions. Failure in adequately protecting or enforcing our intellectual property rights could materially and adversely impact our business, financial condition and operating results.

Conversely, we cannot guarantee that our operations or any element of our business does not or will not infringe or otherwise violate the trademarks, patents, copyrights, know-how or other intellectual property rights of third parties. We may, from time to time in the ordinary course of our business, be subject to legal actions and claims concerning the intellectual property rights of others. Additionally, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that our products, services, or business aspects infringe without our knowledge. Owners of such intellectual property rights could attempt to enforce their rights against us in various jurisdictions. If infringement claims are asserted against us, we may be compelled to divert management time and other resources away from our business and operations to defend against these claims, regardless of their validity.

Furthermore, the application and interpretation of intellectual property laws, as well as the procedures and standards for granting intellectual property rights, are continually evolving and can be uncertain. We cannot guarantee that courts or regulatory bodies will concur with our interpretations. If we are found to have infringed the intellectual property rights of others, we could be held liable for such infringement, be prohibited from using such intellectual property, incur licensing fees, or be forced to develop alternative solutions. Any of these outcomes could materially and adversely affect our business and financial performance.

Some of our leased property interests may be imperfect or defective.

Our operations are conducted primarily from leased properties. If third parties challenge our lease agreements, we may need to divert management attention and incur legal defence costs, even if such challenges are ultimately resolved in our favour. As at the Latest Practicable Date, certain of our lease agreements in the PRC have not been registered with the relevant government authority. Under PRC laws and regulations, although failure to register does not invalidate the lease between tenant and landlord, both the landlord and the tenant may be subject to administrative fines for non-registration. As at the Latest Practicable Date, we are not aware of any action, claim, or investigation initiated or threatened by government authorities regarding the defects in our leased properties. However, if we are fined or penalised by authorities due to our landlords' failure to register the lease agreements, our business and financial condition could be adversely affected.

Our management system may not be adequate or effective in all respects, which may materially and adversely affect our business and results of operations.

We endeavour to implement risk management and internal control systems, including organisational structures, policies, procedures and risk-management methods, that are appropriate for our operations, and we continually work to improve these systems. See "Business — Risk Management and Internal Control". However, due to inherent limitations in the design and execution of any risk management and internal control framework, we cannot guarantee that our systems can identify, prevent, or manage every risk. Our internal controls are intended to oversee our business activities and promote overall compliance, but they may not be sufficient for detecting all instances of non-compliance in a timely manner, or at all. Timely detection and prevention of fraud and other misconduct cannot be assured, and the measures we take to prevent and identify such activities may not necessarily be effective.

The effectiveness of our risk management and internal controls is also dependent on proper execution by our employees. Given the considerable scale of our operations, we cannot guarantee that such execution must be free from human error or oversight, which could materially and adversely affect our business and operating results. Moreover, as we are likely to expand and diversify our range of products and services in the future, such diversification will demand ongoing enhancement of our risk-management capabilities. If we do not adapt our risk management policies and procedures in a timely manner to reflect our evolving and growing business, our business, financial condition and results of operations could be materially and adversely affected.

The loss of any member of our senior management, or an inability to retain and attract skilled staff, including R&D personnel, would impede our ability to execute operations and achieve strategic objectives.

The success of our business depends significantly on our ability to attract and retain highly skilled personnel, particularly talent with expertise in the fields of AI, big data algorithms, and overseas advertising technologies. Since our inception, we have consistently emphasised technological development, product research and development and the building of our R&D team. Through continuous practice and accumulation, we have developed and accumulated a number of core technologies and proprietary intellectual property rights, and we believe we have cultivated a team of high-calibre R&D personnel.

For instance, experienced sales personnel are crucial for effectively communicating with potential customers and delivering high-quality customer service. Our ability to provide adequate support for our products and services also relies on maintaining a skilled workforce. Several of our products and technologies are currently in the R&D stage, making the stability of our core personnel especially critical to our development. Should we fail to attract or retain qualified and capable staff, or if we experience a significant loss of core technical personnel and technical talent in the competitive talent market, our business, financial condition and operating results could suffer significant harm.

Moreover, given the scale and scope of our activities, we must also hire and retain a broad base of effective and experienced R&D personnel capable of adapting to a dynamic, competitive and challenging business environment. Competition for talent and qualified professionals in the marketing sector in China is intense, and the pool of suitable and qualified candidates is limited. Such competition may compel us to offer higher compensation and enhanced benefits to attract and retain such individuals. However, even if we offer competitive compensation and benefits, we cannot guarantee that these professionals will choose to join or remain with our Company. If we fail to attract and retain personnel with the necessary managerial and technical expertise or to maintain an adequate workforce on a consistent and sustained basis, our financial position and results of operations could be materially and adversely affected.

Our business is exposed to a range of external risks, from macroeconomic shifts to natural disasters and health pandemics, which could materially and adversely affect our operations and business growth.

Uncertainties in both global and regional macroeconomic conditions, including fluctuations in interest rates, inflation levels, industry-specific dynamics, unemployment, labour and healthcare costs, credit availability, consumer confidence and other factors beyond our control, may subject our customers and our business to substantial risks and materially and adversely impact demand for our services. Furthermore, natural disasters such as floods, earthquakes, sandstorms, snowstorms, fires, or droughts, the outbreak of widespread health epidemics, acts of war, terrorism, or other force majeure events outside our control could disrupt our R&D, commercial activities and general business operations. Any such disruptions could adversely affect our business, financial condition, operating results and future prospects.

Share-based awards have resulted and will continue to result in significant share-based payment expenses, which may have a material adverse effect on our results of operations and profitability.

We have adopted, and may further adopt, share incentive schemes to motivate and reward our employees. In accordance with applicable accounting standards, share awards granted to employees are measured at the fair value of the equity instruments at the grant date and are recognised as expenses over the vesting period. Consequently, the share awards we have granted in the past and may grant in the future have resulted and will result in significant share-based payment expenses.

Although these expenses are non-cash in nature and do not have an immediate impact on our cash flows, they directly reduce (or increase) our reported profit for the year. In 2025, we recognised share-based payment expenses of RMB82.0 million, representing 2.1% of our revenue. We expect to continue utilising share-based incentives to attract, motivate and retain key personnel. Therefore, we may grant additional share awards, which could cause the total amount of share-based payment expenses recognised in future periods to remain at a high level or increase further. This may continue to have a material adverse effect on our results of operations, profitability and financial performance.

Furthermore, these substantial non-cash expenses may make our financial performance appear less favourable than peers that utilise equity compensation to a lesser extent. [REDACTED] should not rely solely on our reported profit for the year in assessing our performance. For details, see "Financial Information — Non-IFRS Measures" in this document.

If our insurance coverage is insufficient, we could incur significant uninsured liabilities and business disruptions, adversely affecting our financial condition and results of operations.

Our insurance coverage may not be sufficient to safeguard us against all the risks and liabilities from our business and operations. Consistent with common industry practice in the PRC, we do not maintain business interruption insurance, keyman life insurance, or specific insurance for our information technology infrastructure and systems or our leased properties in the PRC; similarly, our insurance arrangements in overseas jurisdictions may not cover all potential operational and asset-related risks due to varying market practices, coverage limitations and cost considerations. Should our information technology infrastructure or business operations in any of our operating locations be disrupted by events such as litigation, natural disasters, cyberattacks, or other unforeseen circumstances, we may incur substantial costs and divert significant resources, with no or insufficient insurance coverage to offset such losses. Consequently, our business, financial condition and results of operations could be materially and adversely affected.

If we fail to continue to obtain or maintain necessary government grants or tax incentives, our business, financial condition and results of operations could be materially and adversely affected.

Our Group has benefited from the government grants and tax incentives. In 2023, 2024 and 2025, the government grants recognised as other net income amounted to RMB45.4 million, RMB12.0 million and RMB20.6 million, respectively. Meanwhile, Xi'an Diangao and Xinghezhixing are recognised as high-tech enterprises and as a result, they have benefited from preferential tax rate of 15% since 2017, and from 2019 to 2025, respectively. Moreover, Xi'an Guangzhi, Xi'an Diangao and Xian Saidian Juliang Network Technology Co., Ltd. can enjoy a preferential tax rate of 15% from 2021, 2021, and 2024, respectively, because they are entitled by tax incentives for the Third Phase of the Western Region Development Plan of the PRC. For further details, see "Regulatory Overview — PRC Laws, Regulations and Policies — Laws and Regulations relating to Taxation" and "Financial information — Description of Selected Items of Consolidated Statements of Profit or Loss — Income Tax" in this document. There can be no assurances that we would continue to enjoy these tax incentives at the historical levels, or at all. Any change, suspension or discontinuation of these tax incentives to us could adversely affect our financial condition and cash flows.

Failure to obtain or maintain the requisite approvals, licences, or permits for our business could have a material adverse effect on our business and results of operations.

The legal and regulatory framework governing the digital marketing service and internet-related industries, including applicable licensing and permit requirements, is relatively new or complex and continues to evolve. Therefore, the interpretation and enforcement of these laws and regulations involve substantial uncertainty. Consequently, it may at times be difficult to ascertain whether our activities can be deemed to be in full compliance with all applicable laws and regulations. We cannot guarantee that we have obtained all permits or licences required for us to operate our business in all jurisdictions where we conduct business activities, or that we will be able to maintain our current licences or obtain new ones as required.

If a regulatory authority determines that we have operated without the requisite approvals, licences, or permits, or if new laws or regulations are introduced that require additional approvals, licences, or permits, or impose further restrictions on our operations, such authority may take various enforcement actions. These may include imposing fines, confiscating our income, revoking our business licences, ordering the cessation of relevant business activities, or restricting affected portions of our operations. Any such action could have a material adverse effect on our business and results of operations.

We and our directors, senior management and Single Largest Group of Shareholders are exposed to the risk of lawsuits, investigations and other legal or regulatory proceedings.

We may, from time to time, become involved in legal proceedings in the ordinary course of our business. Our directors and senior management may also face personal lawsuits, investigations or other legal proceedings arising from alleged breaches of duty, misconduct, or failures in corporate governance, information disclosure, fiduciary duties, or compliance with securities laws. Even if such allegations are without merit, these proceedings could divert management's attention, entail significant legal costs, negatively affect our reputation, and may result in liabilities or settlements. Furthermore, indemnification arrangements we may provide to attract and retain qualified directors and senior management could increase our potential exposure in such situations. We may also receive formal or informal inquiries from government authorities and regulatory entities concerning our compliance with laws and regulations, many of which are evolving and subject to interpretation. Claims alleging actual or purported violations of law could be brought against us by advertisers, publishers, competitors, governmental entities in civil or criminal investigations, or other parties. Such claims may arise under various laws across different jurisdictions, including but not limited to advertising laws, internet information services laws, intellectual property laws, unfair competition laws, data protection and privacy laws, labour and employment laws, securities laws, real estate laws, tort laws, contract laws, property laws and employee benefit laws. We may also face legal action as a result of activities undertaken by our publishers or advertisers. Furthermore, the Single Largest Group of Shareholders exercises significant influence over our management and operations. If the Single Largest Group of Shareholders becomes subject to material litigation or enforcement actions initiated by third parties, such proceedings could distract its attention from our business, harm its reputation or financial condition, and consequently have a material adverse effect on our business, results of operations, financial condition and prospects.

We cannot guarantee a successful defence in any legal or administrative action, or that we will be able to effectively assert our rights under applicable laws. Even if we ultimately prevail in defending against such actions or in asserting our rights, doing so could be costly, time consuming and may not achieve a practical resolution. Involvement in such proceedings could result in negative publicity, significant monetary damages, substantial legal defence costs, injunctive relief and criminal or civil fines and penalties, including the potential suspension or revocation of business licences.

Non-compliance with the Foreign Corrupt Practices Act and related anti-bribery laws could result in criminal penalties, significant fines and serious harm to our business and reputation.

Our operations are governed by anti-corruption, anti-bribery and anti-money laundering laws across various jurisdictions where we operate. Failure to comply with these laws could lead to whistleblower complaints, adverse media attention, governmental investigations and substantial administrative, civil, or criminal penalties. There might also be collateral consequences including remedial obligations and significant legal costs, which could materially and adversely impact our business and reputation. Although we have established internal policies designed to promote and ensure compliance, we cannot guarantee that our shareholders, Directors, officers, employees, agents, or other representatives who act on our behalf will not violate these laws. Any such violation could result in investigations and administrative or criminal sanctions against us and/or our personnel. Negative publicity arising from such incidents could further damage our reputation. Consequently, this would materially and adversely affect our business, financial condition, results of operations and future prospects.

We may require additional financing in the future; however, such capital may not be available to us in a timely manner, on acceptable terms or at all.

We may need additional financial resources in the future, in particular if business conditions change, if unexpected developments arise or if we identify and decide to pursue investment, acquisition, capital expenditure or other strategic opportunities. Should our cash requirements exceed our available cash and cash equivalents at any point, we may consider raising funds through the issuance of equity or debt securities or by securing credit facilities. Issuing additional equity would dilute the ownership interests of existing shareholders. Incurring debt would increase our fixed financial obligations and could subject us to operating or other covenants that limit our operational or financial management flexibility. In the past, we have previously relied in part on bank borrowings to finance our operations. There can be no assurance that any future bank loans or other financing will be available in the amounts we need, in a timely manner or on terms acceptable to us, if at all.

As societal and regulatory scrutiny of ESG matters intensifies, it is likely that more rigorous requirements will be imposed, leading to an increased compliance burden and associated costs for our Company.

In recent years, there has been growing awareness to ESG issues, including those related to greenhouse gas emissions and environmental protection. This may lead to the adoption of stricter laws and regulations, which could impact our business activities. In response, we may need to allocate greater effort and resources to ensure compliance with such legal and regulatory requirements. We have implemented a range of measures intended to maintain compliance with applicable ESG-related laws and regulations. See "Business — Environmental, Social and Governance". However, we cannot guarantee that these risk management measures will be fully effective in mitigating related risks. Future amendments to existing ESG-related laws and regulations, or the introduction of new ESG-related requirements, could raise our compliance costs. Failure to adhere to applicable ESG-related laws and regulations could adversely affect our business, operating results and financial performance.

If we are unable to identify and consummate strategic investments and acquisition opportunities, or fail to successfully integrate the businesses we acquire, it may affect or delay the implementation of our strategies, which might have a material adverse effect on our business and prospect.

We may undertake the pursuit of business acquisitions and strategic investments and merger and acquisition opportunities to expand our operations and strengthen our market position. However, our ability to complete such transactions is subject to various risks and uncertainties. Even if an acquisition is completed, successfully growing our business through acquisitions involves significant challenges and risks, including: (i) difficulties in integrating the personnel, operations, services, technology, internal controls and financial reporting of acquired or invested companies into our own; (ii) potential disruption to our ongoing business, distraction of management and employees and increased operational expenses; (iii) the potential loss of key professionals and established customer relationships from the acquired or invested businesses; (iv) a possible lack of influence over the controlling partner or shareholder for investments where we do not obtain management and operational control, which could prevent us from realising our strategic objectives for the investment; (v) exposure to new regulatory requirements and compliance risks as a result of entering new industry sectors or markets through acquisitions, investments or otherwise; (vi) actual or alleged misconduct or non-compliance by an acquired or invested company (or its affiliates) that occurred prior to our involvement, which could lead to negative publicity, government inquiries, or investigations against that company or against us; (vii) the emergence of unforeseen or hidden liabilities or costs following an acquisition; and (viii) challenges in realising expected synergies and growth opportunities from the acquisitions or investments.

Consequently, we cannot guarantee that any future investments or acquisitions will not adversely affect our business, results of operations or reputation.

We are subject to the risks in relation to certain Third-Party Payment Arrangements.

During the Track Record Period, some of our customers have settled their payments with us through third-party payors (the "**Third-Party Payment Arrangement(s)**"). These arrangements expose us to several risks, including potential claims from third-party payors seeking the return of funds on the basis that they were not contractually obligated to make such payments, as well as potential claims from the liquidators of such third-party payors. If any such claims or legal proceedings, whether civil or criminal, are initiated against us in connection with these third-party payments, we would be required to commit substantial financial and managerial resources to defend ourselves against such claims. This could adversely affect our financial condition and results of operations.

We may be subject to risks associated with our transfer pricing arrangement.

We are subject to reviews of our tax returns and other tax-related matters by local and overseas tax authorities and government agencies. We regularly assess the likelihood of adverse outcomes from these reviews to determine the adequacy of our tax provisions. However, there can be no assurance regarding the final outcomes of these reviews. Should the effective tax rate increase, or should the final assessed tax liability exceed the amounts previously provided for, our financial condition, operating results and cash flows could be adversely affected.

Some of the jurisdictions in which we operate have transfer pricing regulations that require intra-group transactions to be conducted on an arm's length basis. We engaged an adviser on transfer pricing to perform a transfer pricing review and benchmarking analysis on our major international intra-group transactions during the Track Record Period. Upon an independent analysis, we understand that the transfer pricing arrangements for the reviewed international intra-group transactions complied with the arm's length principle as set out in the Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations issued by the Organisation for Economic Co-operation and Development (an intergovernmental organisation that establishes international trade policies). For details, see "Business — Transfer Pricing Arrangements". Nevertheless, there can be no assurance that the tax authorities in these jurisdictions will not challenge our transfer pricing arrangements. If challenged, we could be required to pay additional taxes, interest, or penalties, which could have a material adverse effect on our financial condition, operating results and prospects.

Our businesses experience seasonal volatility, and consequently our operating results may fluctuate materially.

Our revenue, cash flow, operating results and other key performance metrics may fluctuate on a quarterly basis due to the seasonal nature of our advertisers' advertisement campaign expenditures. The internet advertising industry exhibits certain seasonal characteristics influenced by the annual marketing investment plans of major customers and fluctuations in web traffic. For instance, certain advertisers typically allocate a larger portion of their advertising budgets during holiday periods, such as Thanksgiving, Christmas and New Year, when consumer spending increases. As global consumer demand generally rises in the second half of the year driven by these holidays, customer demand for overseas marketing services increases, resulting in a historically higher proportion of our annual revenue being generated in the second half of the year.

Additionally, traffic often becomes more costly during these high-demand holiday seasons. While our historical revenue growth has previously offset the visible effects of seasonality, a decline in our growth rate or a more pronounced seasonal spending pattern could cause seasonality to materially affect our revenue, cash flow and operating results from one period to another. Our operating performance is therefore subject to the risk of seasonal fluctuations.

We are exposed to ethical, legal, regulatory and reputational risks arising from our use of AI technology and the AI-generated marketing content, which could, in turn, materially harm our business.

As with many emerging technologies, AI technology presents risks and challenges that could impact its continued development, adoption and application. Our deployment of AI technology, particularly in generating marketing content for sales and marketing activities, may result in biased analysis and discriminatory outcomes based on stereotypes, such as unequal risk scoring tied to age, cultural background, or gender. Moreover, AI-generated marketing content may contain inaccuracies and errors, which could damage our reputation and credibility and potentially lead to regulatory fines or legal liabilities if the content is misleading or includes material errors or omissions. Should AI-assisted tools produce flawed or incorrect content, we could face competitive disadvantages, legal liability, and ethical or reputational harm.

The use of AI-generated content also raises potential copyright concerns, especially if the underlying algorithms have been trained in part on copyrighted material. We cannot guarantee that our use of such content will not infringe upon the intellectual property rights of third parties. Furthermore, AI-generated content may become subject to increased regulatory scrutiny and legal challenges in the future. Failure to ensure compliance with applicable laws and regulations governing AI-generated content, including intellectual property laws, consumer protection laws and advertising standards, could materially and adversely affect our reputation, business and operating results.

We are subject to restrictions as a result of our use of open-source technology.

From time to time, our business incorporates open-source software. While we actively manage our use to avoid unintended licensing terms, we could face claims alleging infringement of open-source licences. These claims might demand the release of our modified open-source code or even our proprietary source code developed from it, potentially leading to litigation.

Many open-source licence terms lack definitive court interpretation, creating a risk that they could be construed in ways that impose unexpected restrictions on our ability to commercialise our products. Should this occur, we might be forced to obtain third-party licences, publicly release our proprietary source code, undertake costly re-engineering, or discontinue software sales, any of which could harm our business and revenue.

The use of open-source software presents additional risks. As it can be freely modified by anyone, others may develop competitive offerings or render the software obsolete for our needs. Competitors could also use the same open-source software to build rival products or services, potentially reducing demand for our own. Failure to effectively manage these challenges could adversely affect our operating results and increase development costs.

We face foreign currency exchange risk, and fluctuations in exchange rates could adversely affect our financial condition and results of operations.

A significant portion of our revenues is denominated in foreign currencies, primarily U.S. dollars, while our reporting currency is Renminbi. Consequently, we have exposure to fluctuations in exchange rates, particularly between the Renminbi, the U.S. dollar and the Hong Kong dollar. Any significant depreciation of the Renminbi against these currencies would increase the Renminbi value of our foreign-currency denominated revenues when translated into our financial statements, while an appreciation would have the opposite effect. These fluctuations could result in foreign currency exchange losses and make our financial results more volatile, adversely affecting our financial condition and results of operations. Furthermore, the net [REDACTED] from this [REDACTED] will be received in Hong Kong dollars. Fluctuations in exchange rates will affect the relative purchasing power of these [REDACTED] in Renminbi terms. Such exchange-rate fluctuations may also influence the relative value in Renminbi of any dividends we may declare. Additionally, because we report our consolidated financial results in Renminbi, appreciation or depreciation of the Renminbi against the Hong Kong dollar or U.S. dollar will affect the reported amount of our financial results in these currencies, which may not reflect the actual performance of our underlying business.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY IN THE PRINCIPAL PLACE OF OUR BUSINESS

The PRC's economic and social conditions and government policies, as well as the global economy, may continue to affect our business.

We are incorporated and headquartered in the PRC, with a business focus on assisting Chinese enterprises to expand their business in global market, and a significant portion of our businesses, assets and revenue are located in or derived from our operations in the PRC. Consequently, our business, financial condition and results of operations are significantly influenced by the economic, social and regulatory environment in the PRC. The PRC government manages the national economy and various industries through industrial policies and macroeconomic controls using fiscal and monetary measures. It also promotes economic growth by directing resources, implementing monetary policies and offering preferential treatment to certain industries or enterprises.

Our performance has been and will remain subject to the economic condition of the PRC, which is in turn affected by the global economic environment. Uncertainties in the world economy, as well as political conditions across different regions, will continue to impact the economic growth in the PRC. Concerns exist regarding the relationship between the PRC and other nations, including the United States and neighbouring Asian countries, which may have adverse economic consequences. In addition, there are ongoing concerns related to the trade war initiated by the United States against the PRC and other countries. We cannot predict all the risks, uncertainties and fluctuations resulting from current economic, social and regulatory developments, many of which are beyond our control. All of these factors could materially and adversely affect our business, operations and financial performance.

Our business is subject to complex and evolving laws and regulations, which may be relatively new.

We operate in the digital marketing services market which is subject to substantial regulation. Both our media partners and we are governed by a wide array of laws and regulations covering critical aspects of our business, including but not limited to advertising, marketing, distribution, intellectual property, data security, privacy and taxation. We may also be impacted by the implementation of new laws and regulations applicable to our publisher partners. Additionally, our publisher partners may collect personal information from users through their platforms. If they do so, they must obtain user consent or have other legal basis, and comply with requirements under applicable laws and regulations. Should new regulatory restrictions prevent our media publishers from collecting performance data for advertisements, they may be unable to collect and provide us with such data.

We rely on our media partners and third-party platforms to collect advertising-related information, enabling us to develop more effective marketing plans for our customers. If regulations are imposed on our publisher partners' platforms, they may from time to time adjust their data policies, including those on data access, data collection and content restrictions. Such changes are beyond our control and could affect the operations of media, potentially limiting our ability to collect the necessary data to optimise our digital marketing services. This, in turn, could adversely affect our business and financial performance.

Moreover, since our customers operate in various industries, if regulatory authorities targeting those industries implement regulations and policies which affect our customers' businesses and their advertising requirements, our ability to generate profits from customers in those industries could be affected. Consequently, laws and regulations governing those industries may indirectly affect our business and/or our collection of accounts receivables.

On 28 December 2021, the CAC and 12 other PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Revised Measures for Cybersecurity Review**"), which became effective on 15 February 2022. Under the Revised Measures for Cybersecurity Review, critical information infrastructure operators purchasing network products and services, that affect or may affect national security, must apply for a cybersecurity review. Network platform operators holding personal information of more than one million users that seek to [REDACTED] abroad are also required to apply for a cybersecurity review. In addition, the relevant regulatory authorities may initiate cybersecurity review on any company if such regulatory authorities determine that certain network products or services, or data processing activities affect or may affect national security.

As at the Latest Practicable Date, we have not received any official notification from relevant regulatory authorities designating our network facilities and information systems as critical information infrastructure or requiring us to apply for a cybersecurity review, and our proposed [REDACTED] is a [REDACTED] in Hong Kong instead of [REDACTED] abroad. Based on the foregoing, the obligation to proactively apply for a cybersecurity review does not apply to our proposed [REDACTED].

Additionally, on 24 September 2024, the State Council released the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the "**Cyber Data Security Regulation**"), which came into effect on 1 January 2025. The Cyber Data Security Regulation stipulates that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. However, the Cyber Data Security Regulation does not provide further explanation or interpretation of the phrase "affect or may affect national security." The Cyber Data Security Regulation also requires cyber data processors to be responsible for the security of processed data and to fulfil data security protection obligations. For further details of our compliance obligations in relation to the Cyber Data Security Regulation, see "Regulatory Overview — PRC Laws, Regulations and Policies — Laws and Regulations relating to Data Security, Cybersecurity and Privacy Protection".

Furthermore, the SAMR promulgated the Administrative Measures for Online Advertising (《互聯網廣告管理辦法》) on 25 February 2023, which took effect on 1 May 2023, simultaneously repealing the Interim Administrative Measures for Online Advertising (《互聯網廣告管理暫行辦法》). Under the new measures, commercial advertising activities conducted within the PRC to directly or indirectly promote products or services through text, images, audio, video, or any other form via websites, web pages, web applications, or other online media, are governed by these measures and the PRC Advertising Law (《中華人民共和國廣告法》) (the "**Advertising Law**"). Advertising agents and advertising publishers are required to establish, improve and implement systems for the receipt, registration, review and file management of their online advertising business. They are also required by the law to cooperate lawfully with market regulatory authorities in their investigations of the online advertising industry and to provide truthful, accurate and complete information in a timely manner.

The Administrative Measures for Online Advertising further require that online advertisements be clearly identifiable as such to consumers. Paid search advertisements for products or services must be prominently labelled as "advertisement" by the advertising publisher to distinguish them from natural search results. When publishing online advertisements in pop-up or similar forms, the advertiser and advertising publisher must display a close symbol prominently, ensuring it can be closed with one click. Deceiving or misleading users into clicking or viewing advertisements through certain means is strictly prohibited. Violations of the measures may result in penalties, including fines, confiscation of advertising fees, suspension of advertisement publishing business, or revocation of business licences. Following the implementation of the Administrative Measures for Online Advertising (《互聯網廣告管理辦法》), any non-compliance could harm our reputation and lead to significant consequences for our business, financial condition and operating results.

Our Directors believe that compliance with these laws and regulations, as well as any related inquiries, investigations, or other governmental actions, could be costly and may generate negative publicity, increase operating expenses, demand significant management time and attention, and subject us to remedies, including fines or orders to modify or cease existing business practices, that could harm our business.

We face potential liability and harm to our business based on the nature of our business and the content distributed by us.

Our marketing activities may lead to litigation related to copyright or trademark infringement, public performance royalties, or other claims arising from the nature and content of advertisements we distribute. Under the Advertising Law, any individual, legal entity, or organisation which provides advertising design, production, or agency services related to an advertisement would be considered an advertising operator and must ensure that any advertisement it prepares or distributes is truthful and compliant with applicable laws and regulations. For example, the advertising operator must ensure that there is no prohibited content in the advertisement (such as superlative claims, socially destabilising material, obscenity, superstition, violence, discrimination, content infringing public interests, or content harmful to the health of minors or persons with disabilities); it must also ensure that the advertisement does not involve products whose advertising is prohibited or restricted (for example, narcotics, psychotropic or toxic drugs, radioactive substances, breast-milk substitutes, tobacco, pharmaceuticals, medical devices, pesticides, food, alcohol, cosmetics and other products subject to specific prohibitions or restrictions); it shall also ensure that the advertisement does not infringe the legal rights and interests of third parties. Advertising operators must also establish and maintain systems for registration, review and record-keeping according to the relevant provisions. If an advertisement violates any of the above requirements, or if the advertising operator knows or should have known that an advertisement is false, fraudulent, misleading, or otherwise illegal, the relevant PRC authorities may confiscate the advertising revenue of the advertising operator, impose fines, order cessation or correction of such false, fraudulent, misleading or otherwise illegal advertisement, and in serious cases suspend its business operations or revoke its business licences. Advertising operators may also be held jointly and severally liable with advertisers for damages caused to consumers or third parties.

Since our marketing services involve providing "advertising design, production and agency services", we are considered an "advertising operator" under the Advertising Law. We cannot guarantee that all marketing content we prepare and distribute is in full compliance with the applicable laws and regulations, or that the documentation provided by our customers is accurate and lawful. Although we require customers contractually to warrant that their advertisements comply with the applicable laws and regulations, and a strict review process is implemented, we do not independently verify the permissibility or accuracy of the advertisement content. If any customer representations are untrue, we could be subject to liability and reputational harm. Furthermore, our internal control measures for advertising compliance may not necessarily be able to detect and filter all content containing offensive language or involving violation of media policies, which could lead to media removing campaigns or suspending advertiser accounts. See "Business — Risk Management and Internal Control". While our customers are generally obligated to indemnify us, such indemnification may be insufficient or uncollectible. Beyond administrative penalties, civil liabilities and settlement costs, we could also incur substantial litigation expenses. Additionally, we utilise AI to generate marketing creatives for customers. According to our PRC Legal Advisers, although our customers using these services remain the "advertiser" under the Advertising Law, if distributed content violates relevant laws and we fail to demonstrate that the violation originated from customer-provided or approved content, we may be unable to obtain indemnification from them. In such cases, customers may seek compensation from us even if a contractual indemnity clause is absent in the agreement, and we may not successfully defend against such claims. This could result in negative publicity, monetary damages and significant legal defence costs.

We are subject to the currency exchange regulatory system.

The conversion of RMB is governed by the applicable laws and regulations of the PRC. Under the current PRC foreign exchange regulatory regime, prior approval from the State Administration of Foreign Exchange (SAFE) is not required for foreign exchange transactions under the current account that we conduct, including dividend payments. However, we are required to provide supporting documentation for such transactions and to conduct such transactions through designated foreign exchange banks in the PRC that are licensed to conduct foreign exchange business.

In the field of marketing for overseas markets, major media such as Meta and Google control a majority of the global internet marketing media resources. These suppliers typically settle transactions in U.S. dollars. For the convenience and consistency of settlement, integrated marketing services, generally use U.S. dollars for settlements with customers. Consequently, fluctuations in the exchange rate between the Renminbi and the U.S. dollar will have an impact on our operating performance.

Pursuant to existing foreign exchange regulations, after the completion of this [REDACTED], we will be permitted to pay dividends in foreign currencies without obtaining advance SAFE approval, provided that we fulfil certain procedural requirements. However, we cannot guarantee that these foreign exchange policies regarding dividend payments in foreign currencies will remain unchanged in the future. Furthermore, any shortage of foreign exchange availability could limit our ability to secure sufficient foreign currency for dividend distributions to Shareholders or for meeting other foreign exchange needs. Such constraints could also affect our ability to fund capital expenditure plans and may, as a result, impact our business, operating results and financial condition.

We could be subject to changes in our tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.

The EIT Law imposes a tax rate of 25% on business enterprises. Our Company and some of our subsidiaries are entitled to preferential tax treatment. For example, several of our subsidiaries in Chinese Mainland have been qualified as high-tech enterprises, entitled to preferential tax treatments under the Third Phase of the Western Region Development Plan of the PRC or engaged in policy-encouraged businesses, accordingly, they were entitled to a preferential income tax rate of 15% during the Track Record Period. For details, see "Financial Information — Description of Selected Items of Consolidated Statements of Profit or Loss — Income Tax." To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added and other taxes. Non-compliance with the tax laws and regulations in Chinese Mainland may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to tax laws and regulations in Chinese Mainland and tax penalties or fines could affect our businesses, financial condition and results of operations.

We also operate in countries and regions overseas and are subject to various taxes. Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to invest more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental authorities. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. There can be no assurance as to the outcome of these examinations. If our effective tax rates were to increase, or if the ultimate determination of our taxes payable is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

Holders of H Shares may be subject to PRC income taxes. Under the EIT Law of the PRC, our offshore subsidiaries may be subject to PRC income tax on their worldwide taxable income.

Pursuant to the EIT Law and its implementing regulations, unless a different arrangement is provided under an applicable tax treaty or similar agreement between the PRC and the jurisdiction of residence of a non-PRC investor, PRC withholding tax at a rate of 10% generally applies to dividends from PRC sources paid to non-PRC resident enterprises that do not maintain an establishment or place of business in the PRC, or that have such an establishment but where the relevant income is not effectively connected with it. Gains derived from the transfer of shares by such investors are also subject to PRC income tax at a rate of 10% if the gains are considered sourced within the PRC, unless a treaty or similar arrangement stipulates otherwise.

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 PRC sources paid to foreign individual investors who are not PRC residents are generally subject to PRC withholding tax at a rate of 20%. Gains from PRC sources realised by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate. These rates are subject to any reduction or exemption provided in applicable tax treaties and PRC laws. According to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated 28 June 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to PRC individual income tax at a withholding rate of 10%, depending on the existence and terms of any applicable tax treaty between the PRC and the holder's jurisdiction of residence, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders residing in jurisdictions without a tax treaty with the PRC are subject to a 20% withholding tax on dividends received from us. However, under Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on 30 March 1998, gains obtained by individuals from the transfer of [REDACTED] shares may be exempt from individual income tax. Furthermore, the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167), issued by the MOF, the SAT and the CSRC jointly, states that individuals' income from transferring [REDACTED] shares on certain domestic exchanges continues to be exempt from individual income tax, except for shares subject to sales restrictions as defined in Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As at the Latest Practicable Date, the above provisions have not expressly stipulated that individual income tax shall be levied on non-PRC resident individuals from the transfer of shares of PRC resident enterprises [REDACTED] on overseas exchanges. To our knowledge, PRC tax authorities have not in practice sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of [REDACTED] shares of PRC resident enterprises on overseas stock exchanges. Nevertheless, we cannot assure you whether future laws, regulations, or practices may impose income tax on non-PRC resident individuals with respect to gains from the transfer of H Shares.

If PRC income tax is levied on gains from the transfer of our H Shares or on dividends paid to our non-PRC resident [REDACTED], the value of your investment in our H Shares could be affected. Additionally, Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such treaties or arrangements.

While this may also apply to other jurisdictions, there might be difficulties in effecting service of legal process, enforcing foreign judgements against us or our Directors and senior management in the PRC.

A significant part of our operations, assets and subsidiaries are located in the PRC, and all members of our senior management are residents of the PRC. Certain assets owned by us and these individuals are also situated within the PRC. Consequently, it may be difficult for [REDACTED] to effect service of legal process on these individuals within the PRC or to enforce within the PRC any judgements obtained against us or them from courts outside the PRC. The PRC currently lacks treaties on the reciprocal recognition and enforcement of court judgements with the United States, the United Kingdom, Japan and many other developed countries. As a result, obtaining recognition and enforcement in the PRC of a judgement rendered by a court in such a jurisdiction, in relation to any matter not governed by a binding arbitration clause, could be difficult or, in some cases, impossible.

Furthermore, the legal system applicable to our Company differs materially from the Companies Ordinance or corporate law in the United States and other jurisdictions in certain respects, including protections for minority shareholders. Mechanisms for enforcing rights under the corporate governance framework to which we are subject are also relatively undeveloped and have not been extensively tested. However, under the PRC Company Law, Shareholders may, under certain circumstances, initiate derivative actions on behalf of the company against directors, supervisors, officers, or third parties.

In July 2006, the PRC Supreme People's Court and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgements in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned《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當事人協議管轄的民商事案件判決的安排》. The arrangement took effect on 1 August 2008. Under such an arrangement, where any designated peoples' court in the PRC or any designated Hong Kong court has made an enforceable and final monetary judgement in a civil and commercial case pursuant to a choice-of-court agreement in writing between the parties, any interested party concerned may apply to the relevant people's court in the PRC or Hong Kong court for recognition and enforcement of the judgement. Although this arrangement is still in effect, the outcome and effectiveness of any proceedings brought under the arrangement still remain uncertain.

RISKS RELATING TO THE [REDACTED]

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

As we are listed on the Shenzhen Stock Exchange and will be [REDACTED] on the Main Board, we are required to comply with the Listing Rules (where applicable) and other regulatory regimes of both jurisdictions, unless an exemption is available or a waiver has been obtained. Accordingly, we may incur additional costs and expend further resources to meet the compliance obligations of both markets.

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

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

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

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

The liquidity, [REDACTED] and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to [REDACTED].

The [REDACTED] at which our H Shares will [REDACTED] after the [REDACTED] will be determined by the marketplace, which may be affected by various factors beyond our control, including: (i) our financial performance; (ii) changes in securities analysts' estimates, if any, of our financial performance; (iii) the history of, and the prospects for, ourselves and the industries in which we operate; (iv) an assessment on the prospects for, and timing of, our future revenue and cost; (v) structures that independent research analysts may publish, if any; (vi) the present state of our development; (vii) the valuation of publicly [REDACTED] companies that are engaged in business activities similar to ours; (viii) general market sentiment regarding the industries we operate in; (ix) changes in laws and regulations of relevant jurisdictions where we operate; (x) our actual or perceived failure to compete effectively in the market; and (xi) political, economic, financial and social conditions.

In addition, the Stock Exchange has from time to time experienced significant volatility in [REDACTED] and volumes that have affected the market prices of securities of companies quoted on the Stock Exchange. As a result, [REDACTED] in our H Shares may experience volatility in the [REDACTED] of their H Shares and a decrease in the value of their H Shares regardless of our operating performance or prospects.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance whether and when we will pay dividends in the future.

In the past, we have declared dividends. However, we cannot guarantee that we will declare or distribute dividends of any amount in any future year. Under the applicable laws and regulations of China, the payment of dividends may be subject to certain limitations. Moreover, the calculation of our profit under the China Accounting Standards for Business Enterprises ("**PRC GAAP**") may differ in certain respects from the calculation under the IFRS Accounting Standards. As a result, even if we report a profit for the year under IFRS Accounting Standards, we may not have distributable profits as determined by PRC GAAP. Additionally, the declaration, payment and amount of any future dividends are subject to the discretion of our Directors after taking into account various factors, including but not limited to our results of operations, financial condition, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at a Shareholders' meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of China. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Under the existing foreign exchange regulations of China, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders. Further, we cannot assure you that new regulations will not be promulgated in the future that would affect the remittance of RMB into or out of China.

Purchasers of our H Shares in the [REDACTED] will incur immediate and substantial dilution and may experience further dilution if we issue [REDACTED] in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible assets book value per Share immediately prior to the [REDACTED]. As a result, you and other [REDACTED] of the [REDACTED] in the [REDACTED] will experience an immediate dilution in the [REDACTED] net tangible asset value. In order to expand our business, we may consider offering and issuing [REDACTED] in the future. [REDACTED] of the [REDACTED] may experience dilution in the net tangible asset value per share of their Shares if we issue [REDACTED] in the future at a [REDACTED] which is lower than the net tangible asset value per Share at that time.

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

The [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate could be negatively impacted as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the public market, especially by our Directors, executive officers, members of the Single Largest Group of Shareholders and other significant Shareholders, or the issuance of new shares or other securities of our Company, or the perception that such sales or issuances may occur. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. Furthermore, we may issue Shares pursuant to any existing or future share incentive schemes, which would further dilute our Shareholders' interests in our Company. New shares or equity-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares. Certain amount of the Shares controlled by the Single Largest Group of Shareholders will be subject to certain lock-up periods beginning on the date on which [REDACTED] in our H Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the [REDACTED] of our H Shares.

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

Our Single Largest Group of Shareholders has substantial influence over our Group and their interests may not be aligned with the interests of our other Shareholders.

Our Single Largest Group of Shareholders has significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders. Immediately following the completion of the [REDACTED], our Single Largest Group of Shareholders will remain as the Single Largest Group of Shareholders of our Company. The interests of our Single Largest Group of Shareholders might differ from the interests of our other Shareholders. In the event that our Single Largest Group of Shareholders causes us to pursue businesses that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Single Largest Group of Shareholders and our other Shareholders may also materially and adversely affect our operations such as the decision and implementation of our business plans, which may in turn adversely affect our business and results of operations.

Our future financing may cause dilution of your shareholding or place restrictions on our operations.

In order to raise capital and expand our business, we may consider offering and issuing additional Shares or other securities convertible into or exchangeable for our Shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the shareholdings of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our operations, which may: (i) further limit our ability or discretion to pay dividends; (ii) increase our risks in adverse economic conditions; (iii) adversely affect our cash flows; or (iv) limit our flexibility in business development and strategic plans.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net [REDACTED] from the [REDACTED] in ways you may not agree with or that do not yield a favorable return to our Shareholders. For details, see "Future Plans and [REDACTED]." However, our management will have discretion as to the actual application of our net [REDACTED]. You are entrusting your funds to our management, whose judgment you must depend on, for the specific uses we will make of the net [REDACTED] from this [REDACTED].

Certain facts, forecasts and statistics derived from official government sources contained in this document may not be reliable and accurate.

We have derived certain facts and other statistics in this document, particularly those relating to the general economy and the industry in which we operate, from information provided by various public sources, industry associations, independent research institutes and other third-party sources, including the CIC Report that we commissioned. We have not independently verified information and statistics from official government sources. We cannot assure you as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "going forward," "intend," "plan," "project," "seek," "expect," "may," "ought to," "should," "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate, and as a result the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set out in this section. Subject to the requirements of the Listing Rules, 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. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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

Our A Shares are listed on the ChiNext of the Shenzhen Stock Exchange. We are therefore subject to periodic reporting and other information disclosure requirements in the PRC. Accordingly, we periodically release information concerning our Company to the public through the Shenzhen Stock Exchange or other media outlets designated by the CSRC. However, such information is prepared in accordance with the regulatory requirements of the PRC securities authorities, as well as industry standards and market practices in the Chinese Mainland, which differ from those applicable to the Hong Kong market. The presentation of financial and operational information for the Track Record Period disclosed on the Shenzhen Stock Exchange or through other mainland Chinese channels may not be directly comparable to the information presented in this document. Consequently, prospective [REDACTED] in our H Shares should be aware that, when making an investment decision regarding the purchase of our H Shares, they should rely solely on the financial, operational and other information contained in this document. By applying to purchase our H Shares in this [REDACTED], you will be deemed to have agreed that you will not place reliance on any information other than that those contained in this document and any formal announcements we make in Hong Kong in relation to this [REDACTED].

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

The [REDACTED] is being made solely on the basis of the information and representations contained in this document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this document should not be relied upon in making an investment decision with respect to the securities being offered. We strongly advise you not to place reliance on any information about us or this [REDACTED] that appears in press articles or other media. Prior to the publication of this document, there has been coverage in the media regarding us and the [REDACTED], which may have contained among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. [REDACTED] should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media's coverage of our Company and the [REDACTED] may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets and the demands of advertisers. We have not authorised the disclosure of any such information in the press or media. As such, we do not accept any responsibility for such press or media coverage or for the accuracy or completeness of any such information or publication. We make no representation regarding the appropriateness, accuracy, completeness, or reliability of any such information or publication. To the extent any such information is inconsistent with or contradicts the information contained in this document, we disclaim responsibility for it, and you should not place any reliance on such information.