***An investment in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this document, including our consolidated financial statements and related notes, before you decide to [REDACTED] our H Shares. If any of the circumstances or events described below actually arises or occurs, our results of operations, financial performance and business prospects may suffer. In any such case, [REDACTED] of our H Shares could decline and you may lose all or part of your [REDACTED]. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.***

## RISKS RELATING TO OUR BUSINESS AND INDUSTRY

**Our water-based tourism business is located in Yangzhou, Jiangsu Province where all of our business operations and activities are located. Therefore, our business operations depend on our ability to attract visitors to the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area.**

Our water-based tourism business is concentrated in Yangzhou, Jiangsu Province, where all of our business operations and activities are located. During the Track Record Period, substantial amount of our revenue was generated from our business activities in Yangzhou, in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. The amount of revenue generated for the year ended December 31, 2023, 2024 and 2025 from (i) Shuhang-Slender West Lake Scenic Area was RMB86.965 million, RMB87.467 million and RMB99.743 million, respectively; and (ii) Ancient Canal Area was RMB16.788 million, RMB18.243 million and RMB36.131 million, respectively. This makes us vulnerable to regional economic fluctuations, environmental challenges and changes in local regulations. For example, changes in the tourism industry market and tourism performance market could lead to decrease in consumer spending on leisure activities, directly affecting the visitor numbers. Additionally, environmental issues, such as natural disasters or climate change, could disrupt access to key attractions and deter visitors from visiting the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. Moreover, changes in national and local regulations, including those related to cultural tourism or the tourism industry, could also pose challenges to our business.

**Changes in the tastes and preferences of visitors from different countries and regions may affect the demand for our water-based tourism services, and we may not be able to maintain our competitiveness in the water-based tourism industry.**

Changes in the tastes and preferences of visitors can significantly impact the demand for our cultural tourism service offerings. As consumer interests evolve, we may face challenges in keeping pace with emerging trends and adopting our service offerings accordingly. If we become unable to timely adjust to shifts in visitors' preferences or spending habits, we may face challenges from a decrease in visitor numbers. As a result, our financial performance may be negatively impacted.

The operation of our water sightseeing boat service, sightseeing tour bus service, and Grand Canal Yangzhou night show necessitates our ability to stay aligned with evolving market trends. Failure to meet the evolving expectations of our target consumers in respect of our water-based tourism service, may impact our competitiveness within the water-based tourism market; and our expanded service offerings may not effectively attract visitors and stimulate their spendings. Failure to provide the preferred visitor and leisure offerings to the visitors could lead to diminished interest in our service offerings. Additionally, shifts towards alternative forms of entertainment or emerging travel trends could further affect demand for our existing and to-be-expended tourist attractions in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area.

A substantial portion of our revenue was derived from the sales of boat tickets during the Track Record Period.

Failure to adapt to industry developments and respond effectively to the expectations of modern visitors could significantly impact our future operations and financial performance. During the Track Record Period, revenue from water sightseeing boat services contributed approximately 87.2%, 86.2% and 83.7% of our total revenue, respectively. The reliance on a singular major revenue stream presents potential risks including changes in visitors' preferences, competition from alternative entertainment options and operational disruptions in the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area. These factors may result in a decrease in our Company's revenue if we fail to anticipate and respond to these changes. As a result, the attractiveness of our water-based tourism services and our financial performance may be adversely impacted. Furthermore, our ability to maintain high operation quality and stay aligned with evolving market trends is essential for sustaining visitors' interest and maintaining our market share in our water-based tourism services over time.

**We rely on the operation rights within the Shugang-Slender West Lake Scenic Area and the Ancient Canal Area to maintain our water sightseeing boat service business and sightseeing tour bus service business**.

We rely on the operation right granted in the Shugang-Slender West Lake Scenic Area to maintain our water sightseeing boat service business and sightseeing tour bus service business. Specifically, we hold a 20-year exclusive operation right for water sightseeing boat services within the Shugang-Slender West Lake Scenic Area under the 2015 Concession Agreement, effective from September 10, 2015 to September 9, 2035, covering a diversified portfolio of boat services, including our standard water sightseeing boat service provided through our signature Yuloh boat, self-driving boat and themed boat, value-added boat services provided through "Boat+" services and chartered boat services and the Grand Canal Yangzhou night show. Additionally, as the sole operator for water sightseeing boat services in the Ancient Canal Area — water sightseeing boat services in the Ancient Canal Area — we currently operate under an exclusive arrangement with no defined duration.

Furthermore, on July 26, 2022, we successfully secured through a public tender a 20-year exclusive operation right for sightseeing tour bus services on designated routes within the Shugang-Slender West Lake Scenic Area, pursuant to 2022 Concession Agreement, effective from August 1, 2022 to July 31, 2042. These exclusive operation rights constitute the cornerstone of our business operations. For further details, see "Business — Water Sightseeing Boat Service Business — Exclusive Operation Rights" and "Business — Sightseeing Tour Bus Service Business — Exclusive Operation Right, Service Areas and Designed Tour Routes" in this document.

Nonetheless, we remain exposed to certain uncertainties. Failure to meet operational, environmental, or financial obligations under the concession agreements, or changes in government policies or scenic area planning that result in modifications to the terms of the licenses, could materially undermine our exclusive operating status. Similarly, any change in the administrative authority's jurisdiction or the inclusion of the area under stricter cultural heritage protection regulations could trigger a reassessment of our operating rights, potentially affecting our stability as the sole operator. Should any of these risks materialize, our ability to serve visitors would be directly constrained, leading to revenue volatility, loss of market share, and impediments to our planned business expansion based on existing concession rights.

**Incidents or adverse publicity concerning our services could threaten our reputation and negatively impact our revenue and profitability.**

The established brand recognition is the bedrock of our existing success and is crucial for attracting visitors and generating revenue for our Group as well. Moreover, as our water-based tourism services also influences other business segments, being our management service business, any incidents or adverse publicity related to our "Slender West Lake Culture & Tourism (瘦西湖文旅)" could significantly threaten our reputation.

Negative media coverage, customer complaints or operational failures could also lead to diminished public perception of our water sightseeing boat service and, by extensions, our entire service offerings. Such reputational damage may result in decreased occupancy rate of our sightseeing boats and tour buses, lower ticket sales volume and a decline in our overall profitability. Therefore, maintaining a good reputation is essential for our continuing success and any threats to our brandname could have long-lasting effects on our business operations and financial performance.

**Our inability to maintain our competitiveness in the boarder cultural tourism industry, and in particular, the market position of our water sightseeing boat service business in the water-based tourism market in China, could adversely affect our financial condition, results of operations and prospects.**

Any new market player in the water-based tourism market could intensify market competition and we may fail to maintain our competitive edge against our competitors. These new competitors may offer innovative experiences or more attractive pricing, drawing potential visitors away from our service offerings. As competition increases, maintaining our market position will require substantial investments in marketing, technology and talent, which could strain our financial resources, to some extent. See "Industry Overview" and "Business — Competition" in this document for details. Additionally, our reputation as a leading water-based tourism service provider in Jiangsu Province is closely tied to the quality and continuous enhancement/improvement of our water sightseeing boat services. If we encounter operational challenges due to our impotence to compete with other market players, our brand image could suffer, leading to diminished trust and loyalty from visitors and our customers. This reputational damage may be difficult to reverse, potentially resulting in long-term declines in visitor attendance and our revenue.

**We have limited resource and capacity to extend our customer base to foreign countries.**

Our ability to expand our visitor base to foreign countries is constrained by limited resources and capacity. This limitation may hinder our efforts to effectively penetrate international markets and establish a strong presence outside our domestic region, as most of the consumers of our water-based tourism services was from China historically and during the Track Record Period. We also acknowledge that although we engage third party ticket sale channel partners to conduct onward sales of tickets to our customers, most of our ticket sale channel partners are locally based, and therefore, the appeal of our water-based tourism services to international visitors are limited. If we are unable to adequately address such limitation, our growth potential on an international scale could be restrained, affecting our long-term viability globally.

**If we fail to conduct marketing activities cost-effectively, our business, financial condition and results of operations may be materially and adversely affected.**

Effective marketing is a crucial component of our strategy to attract visitors and maintain a strong market presence in the competitive water-based tourism industry. If our marketing campaigns do not resonate with our target customers, or if we misallocate resources towards ineffective marketing channels, we risk not reaching potential visitors to the Shugang-Slender West Lake Scenic Area and the Ancient Canal Scenic, leading to decreased awareness of our service offerings and diminished interest in our water-based tourism services. For the years ended 31 December 2023, 2024 and 2025, our marketing expenses were approximately RMB1,565 thousands, RMB1,333 thousands and RMB2,728 thousands, representing approximately 94.7%, 93.8% and 96.9% of our total selling and distribution expenses, respectively. Marketing costs without corresponding returns will limit our financial resources and impacting profitability and cash flow. If we allocate heavily in promotional activities that do not yield the expected results, it could limit our ability to allocate funds to other segments of our business, such as enhancing visitors' experiences and/or improving operational efficiencies.

**Our business, financial condition and results of operations may be materially and adversely affected by seasonality.**

Our water-based tourism service is subject to seasonality fluctuations. During the Track Record Period, peak seasons mainly represented major holidays and school breaks. Hence, our sales and operating results for a particular period will not necessarily be indicative of our results for the full year or future periods, and our interim result may not proportionally reflect our annual results. See "Business — Seasonality" in this document for a detailed illustration of seasonality implications, including a revenue breakdown by month during the Track Record Period for a quantitative analysis in terms of seasonality.

**Our historical financial and operating results may not be indicative of our results of operations, financial performance or business prospects in the future**

Our historical results may not be indicative of our future performance given that our Group's revenue growth in 2023 was largely due to the rebound of tourism consumption upon the lifting of travel restrictions. We may not be able to maintain our growth, profitability, cash flows, or our historical performance due to visitor change of tourism consumption preferences and spending pattern. We cannot guarantee that we can successfully capitalize on new business opportunities. In that case, our revenue, profits and operating results may vary from period to period in response to a variety of factors beyond our control. If our business performance deteriorate, investors' perceptions of our business prospects may be materially and adversely affected and the market price of our Shares could decline.

**We cooperate with a number of third party ticket sales channel partners, including OTA platforms and collaborating hotels to achieve our sales growth. Any challenges to their selling capabilities may have a negative impact on our overall operating and financial performance.**

During the Track Record Period, the total ticket sales through our third party ticket sales channel partners contributed approximately 12.8%, 23.8% and 35.6% of our revenue from our water-based tourism services. Engaging third party ticket sale channel partners indicates that any challenges they may encounter in the course of their onward ticket selling process. The effectiveness of our sales growth is closely tied to the onward ticket selling capabilities of our third party ticket sale channel partners. Variability in their onward ticket selling capabilities, such as their marketing effectiveness, can influence our overall sales results. If any of the third party ticket sale channel partners fails to promote our water-based tourism services or provide a positive purchasing experience to the potential customers, it could lead to lower ticket sales volume of our Company and as a result, our financial performance will be negatively influenced. In addition, during the course of ticket bulk sales activities conducted by our third party ticket sale channel partners, they play a role in representing our brandname to potential customers. If any of our third party ticket selling distributors fails to uphold our brandname or mismanage potential customer' expectations and purchasing experiences, it could lead to reputational damage of our Company and also result in a decrease in customer trust. Negative ticket purchase experiences with our third party ticket sale channel partners could also deter potential customers from purchasing our boat tickets or tour bus tickets, which will have a negative impact on our financial performance.

**We are exposed to operational risks due to potential malfunctions in the mechanical and hardware components of our water sightseeing boats and tour buses.**

While the water sightseeing boats and tour buses are equipped with a range of advanced features that enhance the overall visitors' experience, they also entail certain operational risks. The complexity of the water sightseeing boats and tour buses requires meticulous operation and continuous maintenance. Any technical malfunctions or failures in the water sightseeing boats and tour buses could disrupt our operations, leading to cancellations or delays. Such incidents not only impact the immediate visitors' experience but could also result in negative publicity for our services and diminished trust from visitors and our customers in our operational capabilities.

Ensuring the safety of our employees and visitors is a top priority. Any failure to follow safety protocols in operating our water sightseeing boats or tour buses could lead to accidents, legal liabilities, and reputational harm. These operations require skilled personnel and proper maintenance, and any shortage of trained staff or maintenance disruptions could weaken operational safety, reduce service quality, and impair our emergency response capabilities, negatively affecting customer satisfaction and service reliability.

**Labour shortage or disruptions to our operation team could restrict our ability to provide water sightseeing boat services and sightseeing tour bus services and/or may result in our increased labour costs.**

Labour shortage may cause disruptions to our operation team in respect of water sightseeing boat services and sightseeing tour bus services. As at the Latest Practicable Date, we had 201 employees within our operation team. It might be possible that we become unable to maintain all the operation team should there be any unforeseen emergencies. Additionally, if we face difficulties in terms of staffing, we may be compelled to hire temporary and incur higher labour costs, leading to increased operational expenses, which could adversely affect our profitability and overall financial performance. In addition, We have established a labor union in accordance with relevant regulations in June 2016 in the PRC. Our labour union actively provides benefits to employees, strives to protect our employees' fundamental rights and provides relief to employees in need. Therefore, it remains important to us that we safeguard our employee's fundamental rights and benefits to ensure our smooth business operations.

**Power shortage or disruptions may result in suspension of the performance of our Grand Canal Yangzhou night show.**

Our business operations depend on a continuous and adequate supply of utilities, such as electricity and water and, among which, electricity is the main utility used in our business operations. During the Track Record Period, we did not experience any material interruptions in our operations due to power shortages or outages. If there are any shortages or control of power due to government policies, the local authorities may require our business to be shut down periodically. Any disruption in the supply of power may disrupt our daily operations, including Baozhang Lake night tour and the performance of our Grand Canal Yangzhou night show. We cannot assure you that we would not be subject to any power outages in the future. If we are to be subject to power outages or there is prolonged power shortage in the future, the performance of our show will be inevitably disrupted. Our business, financial conditions and results of operation will therefore be adversely and materially affected.

**Our business could be adversely affected in the event of any adverse development in tourism-related government policies.**

Water-based tourism business, to a certain extent, is stimulated by, and meanwhile affected by tourism-related government policies. Changes in regulations such as restrictions on travel (i.e., resulting from administrative orders due to the public health concerns), alterations to tourism funding or new compliance requirements, may directly impact our business operations and profitability. For example, shifts in government support for tourism initiatives could affect our marketing efforts and access to incentives for our growth prospects. The Guiding Opinions of the National Development and Reform Commission on Improving the Pricing Mechanism for Entrance Tickets of State-owned Scenic Areas and Reducing the Entrance Ticket Prices of Key State-owned Scenic Areas (Fa Gai Jia Ge [2018] No. 951) (《國家發展改革委關於完善國有景區門票價格形成機制降低重點國有景區門票價格的指導意見》) issued by the National Development and Reform Commission in June 2018 and the Opinions of the General Office of the State Council on Further Stimulating the Potential of Cultural and Tourism Consumption (Guo Ban Fa [2019] No. 41) (《國務院辦公廳關於進一步激發文化和旅遊消費潛力的意見》(國辦發[2019]41號)) issued by the State Council in August 2019 encourage price reductions for entrance ticket prices for key state-owned scenic areas. Although our sightseeing boat and tour bus tickets are not entrance tickets for scenic areas and therefore shall not be subject to such policies, this would attract more visitors to the Shugang-Slender West Lake Scenic Area and thereby may increase in the demand for water sightseeing boat services and sightseeing tour bus service. Therefore, our ability to operate effectively and maintain projected revenue levels may be significantly compromised if we become unable to adapt to the changes in the regulatory landscape.

**If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.**

We currently do not have any impairment loss for our intangible asset but if we have a significant write-off of our intangible assets and this would record a significant impairment loss. Furthermore, our determination on whether intangible assets are impaired requires an estimation of the carrying amount and the recoverable amount of an intangible asset. If the carrying amount exceeds its recoverable amount, our intangible assets may be impaired. The impairment of intangible assets could have a material adverse effect on our business, financial condition and results of operations.

**Any catastrophe, including outbreaks of health pandemics and other extraordinary events such as bad or extreme weather conditions, could severely disrupt our business operations.**

Our operations are vulnerable to interruption and damage from natural and other types of catastrophes, including earthquakes, tsunami, fire, floods, hail, windstorms, severe winter weather (including snow, freezing water, ice storms and blizzards), health pandemics, environmental accidents, power loss, communications failures, explosions, man-made events such as terrorist attacks, and similar events. Due to their nature, we cannot predict the incidence, timing and severity of catastrophes. In addition, changing climate conditions, primarily rising global temperatures, may be increasing, or may in the future increase, the frequency and severity of natural catastrophes. If any such catastrophe or extraordinary event were to occur in the future, our ability to operate our business could be seriously impaired. Such events could make it difficult or impossible for us to operate our water sightseeing boat service, sightseeing tour bus service, and the Grand Canal Yangzhou night \show and our operation of tourist attraction under our management service. In the event of a flood, our boats will be at significant risk of being inundated with water. The flooding may disrupt scheduled trip, compromise the safety of our visitors and staff, and result in costly repairs and restoration efforts. Additionally, the presence of water can create hazardous conditions, including electrical risks and structural integrity concerns, further exacerbating the potential impact on the boat's operations and our reputation.

**Any increase in the entrance ticket prices to the Shugang-Slender West Lake Scenic Area might restrict the exposure of our service offerings to visitors.**

Our water sightseeing boat and sightseeing bus services, rely heavily on visitor volume generated at the main entrances of the Shugang-Slender West Lake Scenic Area. The Guiding Opinions of the National Development and Reform Commission on Improving the Pricing Mechanism for Entrance Tickets of State-owned Scenic Areas and Reducing the Entrance Ticket Prices of Key State-owned Scenic Areas (Fa Gai Jia Ge [2018] No. 951) (《國家發展改革委關於完善國有景區門票價格形成機制降低重點國有景區門票價格的指導意見》) issued by the National Development and Reform Commission in June 2018 and the Opinions of the General Office of the State Council on Further Stimulating the Potential of Cultural and Tourism Consumption (Guo Ban Fa [2019] No. 41) (《國務院辦公廳關於進一步激發文化和旅遊消費潛力的意見》(國辦發[2019]41號)) issued by the State Council in August 2019 encourage price reductions for entrance ticket prices for key state-owned scenic areas. Although our boat and tour bus tickets are not entrance tickets for scenic areas and therefore shall not be subject to such policies, this would attract more visitors to the Shugang-Slender West Lake Scenic Area and thereby may increase in the demand for water sightseeing boat services and sightseeing tour bus services. However, if entrance fees for these scenic areas are increased, overall visitor numbers may decline — particularly among price-sensitive individual travelers. A reduction in total visitors would directly diminish the natural visibility and utilization of our services, thereby affecting revenue stability. Moreover, higher entrance fees may lead visitors to shorten their stays or adjust itineraries, reducing participation in value-added offerings such as "Boat+ Dining" and "Boat+ Education." Our service promotion remains highly dependent on foot traffic from the main attractions. If entrance fees continue to rise or zonal pricing is introduced, and we fail to timely develop diversified customer acquisition capabilities, business volatility may intensify, resulting in a material adverse impact on our overall profitability.

**Any disruption to the schedule and/or any increase in price of flights and trains to and from Yangzhou could restrain the exposure of our service offerings to visitors to Yangzhou.**

Any disruption to the schedule or an increase in the price of flights and trains to and from Yangzhou could limit the exposure of our service offerings to the visitors to Yangzhou. Such disruptions may deter potential visitors from travelling, thereby adversely affecting our overall financial conditions. Specifically, increased transportation costs can lead to reduced consumer spending on leisure activities, as visitors may prioritise essential expenses over tourism. Additionally, delays or cancellations in transportation services could discourage visitors from planning trips to our destinations. These transportation-related challenges could significantly impact our ability to attract and retain visitors, ultimately affecting our revenue generation and business sustainability.

**We may face potential complaints or claims related to safety issues in our water sightseeing boat service, sightseeing tour bus service, and Grand Canal Yangzhou night show. Any complaints or claims of safety issues may adversely affect our reputation.**

We may encounter potential complaints or claims related to safety issues in our water sightseeing boat service, sightseeing tour bus service, and Grand Canal Yangzhou night show. Such incidents could pose significant risks to our reputation and brand integrity. If visitors experience health issues or express dissatisfaction with their experiences in our water sightseeing boat service, sightseeing tour bus service, and Grand Canal Yangzhou night show, it could lead to negative publicity of our brandname and a loss of consumer trust in our Group. Moreover, regulatory scrutiny and legal actions related to quality and safety could result in financial liabilities and increased operational costs. Addressing potential complaints and handling regulatory and legal actions may divert resources and management attention away from our core activities, further impacting our operational efficiency.

**Our businesses are subject to operational risks.**

Operational risks arise mainly from human errors, information technology system failures or external events. We consider operational risks to be inherent in our business and believe that they can be controlled or mitigated through adequate operational policies and procedures. See "Business — Risk Management and Internal Control" in this document for details. We are subject to numerous operational risks beyond our control that may cause significant business interruptions, personal injuries, or property damage, significant business interruptions, personal injuries, property or environmental damage. We are exposed to various operational risks in connection with our business, including among others, (i) the water sightseeing boat service and the sightseeing tour bus service may be interrupted due to personal injuries, operational errors, power outages, the failure of equipment and other risks; (ii) operating limitations imposed by environmental or other regulatory requirements; (iii) social, political and labour unrest and (iv) environmental accidents. In addition, we may not have adequate insurance coverage on the above operational risks. Should any of these risks occurs and we fail to take necessary responsive measures in a timely manner, our business may be temporarily interrupted or suspended, which could lead to increased labour costs, reputational damage and financial losses. Furthermore, any mismanagement, improper handling or violation of our operational procedure in the course of our service could result in accidents involving serious damage to our employees and property. If we fail to exercise sufficient caution on safety matters, our business operations and financial positions will be materially affected.

**We are required to obtain certain approvals, licences, permits and certificates for our operations. Failure to obtain such approvals, licences, permits or certificates may have a material and adverse effect on our business and operations.**

We are subject to various laws and regulations of PRC in which we operate and are required to obtain and comply with certain approvals, licences, permits and certificates from administrative authorities, including but not limited to business licence, commercial performance license, hygiene permit and special industry license. Each approval is dependent on the satisfaction of certain conditions and failure to obtain governmental approvals could have an adverse effect on our operations. We are also subject to inspections, examinations, inquiries and audits by governmental authorities as part of the process of maintaining or renewing our permits, licences or certificates. There can be no assurance that we will be able to fulfil the pre-conditions necessary to obtain the required governmental approvals or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our operations. There may be delays on the part of relevant administrative bodies in reviewing our applications and granting approvals.

**Our business operations are subject to the maintenance and renewal of licences.**

Our ability to carry out our business operations is subject to our ability to obtain and retain necessary approvals, licences and permits from relevant PRC Government authorities and to renew them when they expire. Any failure to obtain, retain or renew, or any delay in obtaining or renewing, such approvals, licences or permits could subject us to a variety of administrative penalties or other government actions and adversely impact our business operations.

As advised by our PRC Legal Adviser, during the Track Record Period, we did not hold the requisite commercial performance license (營業性演出許可證) categorized as performance brokerage institution (演出經紀機構) corresponding to its actual business category, and commenced the Grand Canal Yangzhou night show without first obtaining approval from the relevant culture and tourism authorities within the prescribed time. See "Business — Water Sightseeing Boat Service Business — Grand Canal Yangzhou (大運揚州) — Licensing Requirements." However, as of the Latest Practicable Date, we had applied the appropriate commercial performance license categorized as performance brokerage institution and had applied and obtained the requisite approval to commence the operation of the show. Except for the situations described above, during the Track Record Period and up to the Latest Practicable Date, we had obtained all requisite approvals, licences and permits for our current operations in all material aspects.

**We may subject to fines for failing to register the lease agreement of leased property.**

As at the Latest Practicable Date, we had not yet registered certain of our lease agreements with the relevant government authorities due to lack of property certificates. As advised by our PRC Legal Adviser, lease agreement have to be registered with the relevant authorities within 30 days of signing according to the Administration Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) and we may be subject to a fine of RMB1,000 to RMB10,000 for each unregistered lease. Our PRC Legal Adviser further advised that the non-registration of lease agreement would however not affect the enforceability of such lease. See "Business — Non-compliance."

**Our insurance coverage may not adequately cover the risks related to our business and operations.**

We maintain personal injury insurance certain of for our employees, but there can be no assurance that our insurance coverage would be sufficient in case of such major accidents. Certain risks such as risks in relation to customer concentration, our ability to executed new water-based tourism projects, our ability to retain and attract personnel, project and cost management, our ability to maintain and renew our registrations, are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risks. Insurance policies covering losses from acts of war, terrorism, or natural catastrophes are also either unavailable or cost prohibitive. We may be subject to liabilities against which we are not, or cannot be, insured adequately or at all. Should any significant liability arise due to accidents, natural disasters, or other events which are not covered or are inadequately covered by our insurance, our business may be adversely affected, potentially leading to lawsuits, employee compensation obligations, loss of assets or other forms of economic loss. We cannot guarantee that our existing insurance are sufficient to cover all potential risks and losses or that we can renew our policies or renew on similar or other acceptable terms. If we suffer from severe unexpected losses or losses that far exceed insurance policy limits, our business, financial position, results of operations and prospects could be materially and adversely affected.

**If we fail to maintain an effective risk management system, we may not be able to accurately report our financial results or prevent fraud.**

We have recently enhanced our risk management systems as part of a continuous effort to improve our risk management capabilities. However, we cannot assure you that our risk management system will adequately protect us against, all credit risk and other risks. Some of these risks are unforeseeable or unidentifiable and may be more severe than what we may anticipate.

Our risk management capabilities and ability to effectively monitor credit risk and other risks are restricted by the information, tools, models and technologies available to us. In addition, given the short history of some aspects of our risk management system, we will require additional time to implement the system in order to fully assess the impact of and evaluate our compliance with them. Moreover, our employees may require time to adjust to the system and we cannot assure you that our employees will be able to consistently comply with or accurately apply them.

If our risk management systems fail to be implemented effectively, or if the intended results of such systems are not achieved in a timely manner, our asset quality, business, financial condition, results of operations and reputation may be materially and adversely affected.

**We are dependent on our key management team and qualified personnel.**

Our continued success is dependent on our ability to retain the services of these key management personnel. The loss of their services without timely and suitable replacement could adversely affect our operations Our ability to attract and retain high quality personnel, such as performers and business development personnel is also critical to executing our expansion plans. If we are unable to attract and retain a sufficient number of skilled and qualified specialists, our business, financial condition, results of operations and prospects could be materially and adversely affected.

**The PRC laws and regulations concerning cybersecurity and data protection are continuously evolving. Failure to comply with all applicable laws and regulations could harm our reputation, business, financial condition and results of operations and our [REDACTED] and [REDACTED] may be impeded.**

Our business involves collecting and retaining customer data, including personal information such as name, phone number and ID number of our customer. Accordingly, our business operations are subject to various cybersecurity, data security and personal information protection laws, such as the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**MCR**"), the Cyber Data Security Management Regulation (《網絡數據安全管理條例》) (the "**CDSR**"), the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the "**Data Security Law**") and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**"). There might be changes regarding the interpretation and application of the laws and regulations regarding cybersecurity, data security and personal information protection as they are generally complex and evolving. In addition, we may be subject to additional regulatory requirements regarding cybersecurity, data security and personal information protection, which may necessitate adjustments to our data framework and incur additional costs. Any failure or perceived failure of us to comply with cybersecurity, data security and personal information protection laws, or other concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure and other processing of data and cybersecurity, could subject us to potential liabilities and reputational damage. In addition, the regulatory regime for cybersecurity, data security and personal information protection is complex and constantly evolving, which could increase our compliance costs and operational complexity. Any failure to closely monitor the relevant regulatory development could subject us to potential liability, and have a material and adverse impact on our business, results of operations and financial condition. On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") jointly with other 12 government authorities promulgated the MCR, which became effective on February 15, 2022. According to the MCR, the procurement of network products and services by critical information infrastructure operators and the data processing activities conducted by network platform operators, which affect or may affect national security, shall be subject to cybersecurity review. In particular, if critical information infrastructure operators anticipate that their procurement of network products and services affect or may affect national security after such network products and services are put into use, they shall apply for cybersecurity review to the Cybersecurity Review Office. The MCR also provides that network platform operators that possess personal information of over one million users shall apply for cybersecurity review before listing in a foreign country. Listing in Hong Kong is not treated as listing in a foreign country within the meaning of the MCR. In addition, the relevant government authorities may initiate the cybersecurity review against the relevant operators if the authorities believe that the network products or services or data processing activities of such operators affect or may affect national security. On September 24, 2024, the CDSR was promulgated by the State Council, which took effect on 1 January 2025, serves as a comprehensive implementing regulation for the compliance requirements set out by the Cybersecurity Law, Data Security Law, and Personal Information Protection Law. The CDSR reiterate that the cyber data processors which may possibly affect national security shall apply for cybersecurity review. Given that, as of the Latest Practicable Date, (i) we had not been determined or identified as a "critical information infrastructure operator" by any governmental authorities; (ii) according to the telephone consultation conducted by our PRC Legal Adviser on September 16, 2025, with the China Cybersecurity Review, Certification And Market Regulation Big Data Center ("**CCRC**") — the competent governmental authority delegated by the CAC to accept cybersecurity review application materials and conduct formal reviews — the CCRC confirmed that the term "listing in a foreign country" as provided in the MCR does not include listing in Hong Kong, and a proposed listing in Hong Kong will not trigger a cybersecurity review; (iii) we have not received any notice from the competent authorities stating that our products, services and data processing activities "affect or may affect national security"; and (iv) we have not received any notice from the competent authorities of a cybersecurity review on us; we are not required to apply for cybersecurity review in connection with our [REDACTED] and [REDACTED].

However, we cannot completely exclude the risks of being subject to cybersecurity review in the future. This is in consideration of the provisions of Article 16 of the MCR which stipulates that relevant authorities may initiate cybersecurity review against relevant operators if the authorities believe that the network products or services or data processing activities of such operators affect or may affect national security. In addition, we cannot assure you that relevant government authorities will not promulgate or interpret the laws and regulations in ways that may adversely affect us. If our [REDACTED] and [REDACTED] or business activities are deemed to "affect or may affect national security" in the future, we may be subject to cybersecurity review and there can be no assurance that we will be able to obtain approval from the regulatory authorities in a timely manner, or at all. As the regulatory framework regarding cybersecurity, data security and personal information protection is evolving, we cannot assure you that we will comply with these laws and regulations in all respects and regulatory authorities may order us to rectify or terminate our current practice of collecting and processing personal information. We may also become subject to fines and/or other penalties which may have material adverse effect on our business, operations and financial condition.

While we take various measures to comply with all applicable data privacy and protection laws and regulations, there is no guarantee that our current security measures and those of our third-party service providers may always be adequate for the protection of our customer and company data, and like all companies, any lapses in our or our service providers' security measures may result in regulatory investigations, actions, penalties, or other cybersecurity-related risks. In addition, we may be a target for computer hackers or cyber terrorists. Unauthorized access to our customer data may be obtained through break-ins, sabotage, breach of our secure network by an unauthorized party, computer viruses, computer denial-of-service attacks, employee theft or misuse, breach of the security of the networks of our third-party service providers, or other misconduct. Because the techniques used by computer programmers who may attempt to penetrate and sabotage our customer data change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. Any failure to prevent or mitigate security breaches, cyber-attacks or other unauthorized access to our systems or disclosure of our customers' data, including their personal information, could result in loss or misuse of such data, interruptions to our service system, diminished customer experience, loss of customer confidence and trust, and harm our reputation and business, resulting in significant legal and financial exposure and potential lawsuits.

**Our business depends on our ability to protect our intellectual property rights, and we may be exposed to intellectual property infringement and other claims by third parties, which, if successful, could cause us to pay significant damage awards and incur other costs.**

We rely on a combination of trademark and other intellectual property laws as well as confidentiality agreements with our suppliers, customers and others to protect our intellectual properties. There are a number of issued intellectual properties and pending patent applications belonging to third parties that exist in fields in which we operate. Others may hold or obtain patents, copyrights, trademarks, or other proprietary rights used in our service. This might prevent, limit, or interfere with our use, development, sales, or marketing, and could therefore disturb our daily operations and distract our management. From time to time, we may receive communications from intellectual property right holders regarding their proprietary rights. Companies holding patents or other intellectual property rights may, and have in the past brought suits alleging infringement of such rights or otherwise assert their rights and urge us or our subsidiaries to obtain licenses. In addition, if we are found to have infringed upon a third party's intellectual property rights, we may be required to do one or more of the following (i) cease to offer services that are involved in the challenged intellectual property rights owned by others; (ii) pay damages; (iii) enter into license agreements with third parties and pay them a license fee; or (iv) establish and maintain alternative branding for our services.

We rely primarily on a combination of our trademarks, the confidentiality agreements signed by the employees, and confidentiality agreements signed with the third parties to protect our intellectual property rights. Although we have applied and obtained a number of trademarks for the operations of our business, there is no assurance that we are able to successfully apply and be granted new intellectual property rights in a timely and cost-effective manner in the future especially, for such applications are expensive and time consuming. See "Business — Intellectual Properties." Despite our efforts to protect our proprietary rights, unauthorized parties may be able to obtain and use information that we regard as our proprietary rights. Under such circumstances, we may initiate legal proceedings against parties who we believe are infringing our intellectual property rights. Legal proceedings are often costly and may divert management attention and resources away from our business.

The validity and scope of any potential claims/requests can be complicated and involve complex scientific, legal and factual questions and analysis and, therefore, may be highly uncertain. The defense and prosecution of intellectual property suits, patent opposition proceedings and related legal and administrative proceedings or requests can be costly and time consuming and may significantly divert the efforts and resources of our management. A determination in any such litigation or proceedings or requests to which we are a party may subject us to pay damages to third parties, require us to seek licenses from third parties, pay ongoing royalties, subject us to injunctions prohibiting the offering of our services or the use of our technologies. In the event of an adverse result in any such litigation, or even in the absence of litigation, we may need to obtain licenses from third parties to develop, or offer our services. Any such license might not be available on reasonable terms or at all, or is non-exclusive or require us to pay substantial licensing payments. Any of the afore-mentioned will materially and adversely affect our business, financial condition and results of operations.

**We face risks relating to our employee dispatch arrangements.**

During the Track Record Period, we engaged dispatched employees by entering into procurement agreement for service (採購合同(服務)) with third-party human resources service company. These dispatched employees entered into employment contracts with the service company and not with us. According to the PRC Labor Contract Laws (勞動合同法) Interim Provision on Labor Dispatch (勞務派遣暫行規定) promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, the number of dispatched employees engaged by any company may not exceed 10% of the total number of its employees, including both directly hired employees and dispatched employees, and dispatched employees can be used only for temporary, ancillary or substitutable positions.

During the Track Record Period, we did not fully comply with the PRC Labor Contract Laws and the Interim Provision on Labor Dispatch. During the Track Record Period, we engaged dispatched employees by entering into procurement agreement for service (採購合同(服務)) with third-party human resources service company and the maximum number of dispatched employees we engaged was 69, 85 and 68 for 2023, 2024 and 2025, respectively. The maximum number of dispatched employees which exceed the 10% regulatory limit is 50, 63 and 47 for the same period, respectively. Please see "Business — Non-compliance" for details.

Nevertheless, we had already completed rectification of such non-compliance by September 10, 2025, our PRC Legal Adviser is of the view that the risk of us being penalized in respect of employee dispatch is remote. However, as advised by our PRC Legal Adviser, pursuant to the PRC Labor Contract Laws and the Interim Provision on Labor Dispatch, if we are ordered to make corrections and fail to do so within the prescribed time, if the employer fails to do so; it shall be fined not less than RMB5,000 but not more than RMB10,000 per dispatched employee and the maximum penalty amount shall be based on the number of dispatched employee which is in excess of the 10% regulatory threshold and at the discretion of the competent authorities. In addition, apart from fines, we may also face reputational damage and lose customers' trust in the quality of our water-based tourism services, which could in turn affect our profit scale.

**A severe or prolonged downturn in the domestic economy could materially and adversely affect our business and financial condition.**

With the slowdown of the growth of the domestic economy in recent years, it remains uncertain whether, and for how long, the domestic economic downturn will persist. There are considerable uncertainties over the long-term effects of the monetary and fiscal policies adopted by the domestic central bank and financial authority. Regional economic conditions are sensitive to global economic conditions, changes in domestic economic and political policies and the expected overall economic growth rate. Any economic downturn or slowdown or negative business sentiment could indirectly impact our industry. In addition, continued turbulence in the domestic markets may adversely affect our ability to access capital markets to meet liquidity needs which could adversely affect business operations and financial performance.

Deteriorating domestic economic conditions may reduce disposable income and consumer wealth as well as the growth of wealth among our potential customers, adversely impacting customer demand, which may negatively impact our profitability and put downward pressure on our tickets orders. Therefore, any severe or prolonged downturn or instability in the domestic economy may materially and adversely affect our business, financial condition and results of operations.

**Failure to successfully execute our equipment upgrade and capacity expansion plans may have a material adverse effect on our business, financial conditions and results of operations**.

Our capacity expansion and equipment upgrade require substantial capital investment, timely delivery of equipment and dedicated attention to oversee and manage the operation of the upgraded equipment, and are subject to the following risks and uncertainties:

- negative effect on the working capital available to us;
- failure to identify potential target for investment, acquisition or cooperation;
- the need to finance our equipment upgrade and capacity expansion through bank or other borrowings, which may not be available on commercially reasonable terms or at all;

- increase in depreciation charges associated with our new equipment and interest expenses associated with our future borrowings for planned upgrade or expansion;
- cost overruns, equipment problems, including delays in equipment delivery or delivery of equipment that does not meet our specifications, and other operational difficulties;
- failure to improve our operational and financial systems and risk monitoring and management system in line with our upgrade or expansion;
- decrease in our ticket prices, which fail to cover our increased expansion costs;
- failure to maintain or establish relationships with our existing or prospective customers and suppliers to align with the expansion of our service capabilities;
- the failure of our new equipment to perform as expected and lower our cost;
- insufficient management resources to properly oversee and manage our planned capacity expansion; and
- delay in or denial of government approvals, permits or documents of similar nature necessary and required for our expansion.

Any of the aforementioned risks or uncertainties could substantially restrict our capacity to carry out our equipment upgrade and capacity expansion as scheduled, potentially hampering our attainment of economies of scale and optimal utilization rates. Consequently, our business, financial conditions, and results of operations could be materially and adversely affected.

## RISKS RELATING TO THE JURISDICTION IN WHICH WE OPERATE

**Adverse changes in economic, political and social conditions, could have a material adverse effect on our business and prospects.**

We are headquartered in Jiangsu Province, China and substantially all of our revenue is derived from our businesses in China. Accordingly, our results of operations, financial performance and business prospects may be influenced by the economic, regulatory, political and social conditions in China. China has implemented, and may continue to introduce various policies and measures to encourage the economic growth and guide the allocation of resources. China's tourism industry is generally affected by macro-economic factors, including international, national, regional and local economic conditions, trade relationships, employment levels, consumer demand and discretionary spending. Any changes in these factors may have material and adverse effect on our results of operations, financial performance and business prospects.

**We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.**

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. See "Regulatory Overview — Regulations Relating to Overseas Securities Offering and Listing of Domestic Companies" for details.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》)

(the "Archives Rules," which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions. Given that the Archives Rules were promulgated, their interpretation, application and enforcement are still evolving and subject to change. We will closely monitor how they will affect our operations and our future financing.

**We may be subject to other PRC governmental authorities in connection with future capital raising activities.**

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined that we are subject to other PRC governmental authorities for future fund raising activities or other major events while we fail to complete such filing or meet such requirements in a timely manner or at all, we may face sanctions by other PRC regulatory authorities for failure to seek government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

**Fluctuations in the value of the Renminbi and other currencies may have a material adverse impact on [REDACTED].**

During the Track Record Period, substantially all of our revenue and expenditures were denominated in Renminbi, while the [REDACTED] from the [REDACTED] will be in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi in terms of the [REDACTED] from the [REDACTED]. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our PRC subsidiaries. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or U.S. dollar would affect our financial results in Hong Kong dollar or U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

**It may be difficult to effect service of process, enforce foreign judgments and arbitral awards against us or our Directors and senior management located in the PRC.**

The substantial presence of our operations, assets, and personnel within the PRC jurisdiction has significant implications for our legal and regulatory landscape. Most of our Directors and senior management team are residents of the PRC, and their assets are predominantly located within the PRC. As a result, it presents a challenge in effecting service of process outside of the PRC, including but not limited to jurisdictions such as the United States or Hong Kong. Consequently, shareholders may encounter difficulties in enforcing judgments against our Company or our Directors, and senior management team if such judgments originate from courts outside of the PRC.

**Our operations are subject to PRC tax laws and regulations.**

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial performance and results of operations

**Holders of our H Shares are subject to the PRC income tax.**

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay a 20% individual income tax on dividends received and the gains realised upon the sale or other disposition of the H Shares held by them, as stipulated by the Individual Income Tax Law of the PRC (2018 Revision) (《中華人民共和國個人所得稅法 (2018修訂)》) and its implementation regulations. We are required to withhold such tax from dividend payments, unless applicable tax treaties between the PRC and the jurisdictions in which the foreign individuals reside, reduce or provide an exemption for the relevant tax obligations. Pursuant to the Circular of the State Taxation Administration on Individual Income Tax Collection Issues upon Abolishment of Document Guoshuifa [1993] No. 045 (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), a tax rate of 5% to 20% (generally 10%) shall apply to the dividends paid by domestic non-foreign-invested enterprises issuing shares in Hong Kong to overseas resident individuals. Such tax rate depends on any applicable tax treaties between China and the jurisdiction in which the non-PRC resident individual holder of H Shares resides, and tax arrangement between the PRC and Hong Kong.

As for non-PRC resident enterprises incorporated under the laws of the foreign country whose actual administration institution is outside the PRC, but have set up institutions or establishments in the PRC or, without institutions or establishments set up in the PRC but have income originating from the PRC, under the PRC EIT Law, dividends paid by us and gains realised by such foreign enterprises from the sale or disposition of H shares are subject to PRC enterprise income tax at a 20%, which may be reduced under any special arrangement or applicable tax treaties between the China and the jurisdiction in which the non-PRC resident enterprise resides. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號) issued by SAT on 6 November 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares has been reduced to 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED] Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval. Holders of our H Shares should consider the potential impact of PRC tax laws on their investment and the possibility of future changes that could affect the tax treatment of their holdings.

**Payment of dividends is subject to conditions under the PRC law.**

As stipulated under PRC laws, dividends may be paid only out of distributable profits. Distributable profits refer to net profit as determined under PRC GAAP or HKFRSs accounting standards, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. It may become possible that we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits that are not distributed in a given year are retained and available for distribution in subsequent years.

In addition, because the calculation of distributable profits under PRC GAAP is different from the calculation under HKFRSs accounting standards in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under HKFRSs accounting standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. In an unlikely event that our subsidiaries fail to pay dividends to us, it may have a negative impact on our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

## RISKS RELATING TO THE [REDACTED]

**Our Shares have been quoted on the NEEQ since May 9, 2017, and the characteristics of the NEEQ and our Shares [REDACTED] may differ.**

Our Shares had been quoted on the NEEQ since May 9, 2017. With different trading characteristics, the Stock Exchange and the NEEQ have divergent trading volumes, liquidity and investor bases, as well as different levels of retail and institutional investor participation. As a result, the trading performance of the NEEQ may not be comparable to that of the Stock Exchange. Due to the different characteristics of the Stock Exchange and the NEEQ, the historical prices of the NEEQ may not be indicative of the performance of our Shares. You should therefore not place undue reliance on our prior trading history on the NEEQ when evaluating an [REDACTED] in our Shares.

**You should not place any reliance on the information published regarding to our prior quotation on the NEEQ.**

As our Shares had been quoted on the NEEQ since May 9, 2017 and we are required to comply with the then PRC regulations on periodic reports and other disclosures. Accordingly, we published our relevant information on the NEEQ. However, the information published on the NEEQ was based on the regulatory requirements and market practices of the PRC securities regulatory authorities and the financial information published on the NEEQ was prepared based on accounting principles generally accepted in the PRC which may be different from that applicable to the proposed [REDACTED]. Therefore, such published information does not form a part of this document. As a result, [REDACTED] in our Shares are reminded that, when making their [REDACTED] decisions as to whether to [REDACTED] our Shares, they should rely only on the financial, operating and other information included in this document. By applying for the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and other formal announcements made by us regarding the proposed [REDACTED] in Hong Kong.

**There has been no prior public [REDACTED] for our H Shares, and their [REDACTED] and [REDACTED] may be volatile, which could result in substantial losses to you.**

Prior to the completion of the [REDACTED], there has been no public [REDACTED] for our H Shares. There can be no guarantee that an active [REDACTED] [REDACTED] for our H Shares will develop or be sustained after the completion of the [REDACTED]. The [REDACTED] is the result of negotiations between our Company and the [REDACTED] (for itself and on behalf of the [REDACTED]), which may not be indicative of the [REDACTED] at which our H Shares will [REDACTED] following the completion of the [REDACTED]. The [REDACTED] of our H Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

**Holders of our H Shares are subject to the risk that [REDACTED] of our H Shares could fall during the period before [REDACTED] of our H Shares begins.**

[REDACTED] of our H Shares [REDACTED] the investor under the [REDACTED] will be determined on the [REDACTED]. However, our H shares will not [REDACTED] until they are delivered, which is expected to be several business days after the [REDACTED] [REDACTED]. As a result, [REDACTED] of our H shares may not be able [REDACTED] or otherwise [REDACTED] our H Shares during that period. Accordingly, holders of our H Shares may be subject to the risk that our H Share [REDACTED] could fall during the period before [REDACTED] of our H share begins as a result of adverse market conditions or other unfavourable developments which arise between the date of [REDACTED] and the date of [REDACTED] begins.

**Future [REDACTED] or perceived [REDACTED] of substantial amounts of our H Shares in the [REDACTED] could have a material and adverse effect on the [REDACTED] of our H Shares and our ability to raise additional capital in the future.**

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

**You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.**

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, [REDACTED] of the [REDACTED] in the [REDACTED] will experience an immediate dilution in pro forma consolidated net tangible asset value. To expand our business, we may consider [REDACTED] and issuing additional shares in the future. [REDACTED] of the [REDACTED] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

**Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.**

Prior to and immediately upon the completion of our [REDACTED], without taking into account any Shares which [REDACTED] pursuant to the exercise of the [REDACTED], our Controlling Shareholders will remain having substantial control over our Company. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will possess a majority of the voting power at general meetings, estimated to be approximately [REDACTED]%. This level of control enables them to significantly influence our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. The interests of our Controlling Shareholders may not always coincide with those of our other Shareholders. While they can exercise their voting rights in alignment with their preferences, this may not always benefit our Company or its minority Shareholders. Such conflicts of interests could potentially lead to decisions that are detrimental to the value of our Company or for our other Shareholders.

**Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.**

As a holding company, our ability to declare future dividends will depend on the availability of dividends, if any, received from us and our subsidiaries. Under PRC law and the constitutional documents of our PRC operating subsidiaries, dividends may be paid only out of distributable profits, which refer to after-tax profits as determined under PRC GAAP less any recovery of accumulated losses and required allocations to statutory capital reserve funds. Any distributable profits that are not distributed in a given year are retained and become available for distribution in subsequent years. The calculation of our distributable profits under PRC GAAP differs in many aspects from the calculation under HKFRS Accounting Standards. In addition, as stipulated by our Articles, distributable profits are recognized as our after-tax profit determined under PRC GAAP or HKFRS Accounting Standards, whichever is lower, less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, our Company and our subsidiaries may not be able to pay a dividend in a given year if our Company or our subsidiaries do not have distributable profits as determined under PRC GAAP even if they have profits as determined under HKFRS Accounting Standards. See "Financial Information — Dividend" for details of our dividend policy. Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

**Certain facts, forecast and statistics contained in this Document are derived from government official sources and they may not be reliable.**

This document includes certain facts, forecasts, and statistics that have been obtained from various official governments and other publications. However, we cannot guarantee the quality or reliability of information and statistics from official government sources.

The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of the [REDACTED], any of our or their respective directors, officers or representatives or any other parties involved in the [REDACTED] and no representation is given as to their accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

**You should read the entire Document carefully and should not rely on any information contained in press articles or other media regarding us, our business, our industry and/or the [REDACTED].**

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This document contains forward-looking statements relating to us and our operations and strategies made based on our current beliefs, assumptions and information currently available to us.

When used in this document, the words "anticipate," "believe," "estimate", "plan," "could," "potential," "continue," "expect," "intend," "may," "seek," "will," "would," "should", "going forward" and any similar terms, as they relate to us or our business, are intended to identify these forward-looking statements. Such statements are necessary estimates that reflects the current views of our Directors, Supervisors and management and subject to risks and uncertainties that may cause actual results to differ materially from those suggested by the forward-looking statements in this document. Whether the actual results of such statements will conform to our predictions is beyond our actual control. As a result, [REDACTED] should not regard these forward-looking statements as a guarantee of future performance and 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. We do not intend to update these forward looking statements in addition to our ongoing disclosure obligations pursuant to the Listing Rules or other requirements of the Stock Exchange.