

RISK FACTORS

An [REDACTED] in our Shares involves significant risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. 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 Shares could decline, and you may lose substantial or all 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 of 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.”

Risks Related to Our Business and Industry

We have a history of losses and negative cash flows from operating activities, which may continue in the future.

We have historically incurred losses and negative cash flows from operating activities and we may not be able to achieve or maintain profitability or positive cash flow in the future. We incurred loss of RMB575.7 million, RMB447.8 million and RMB399.1 million in 2023, 2024 and 2025, respectively. Net cash used in our operating activities was RMB66.8 million, RMB165.7 million and RMB51.2 million in the same years, respectively.

We anticipate that our operating costs and expenses will increase in the foreseeable future as we continue to grow our business, acquire new customers, invest and innovate in our technology infrastructure, further develop our product and service offering, and increase our brand recognition. Any of these efforts may incur significant capital investment and recurring costs, have different revenue and cost structures, and take time to achieve profitability. We may also continue to incur net losses in the future due to changes in the macroeconomic and regulatory environment as well as competitive dynamics. If we continue to incur loss and negative cash flows from operating activities, we may have to finance ourselves with equity or debt financing, which may not be available at ideal price term or at all.

Our historical growth rate may not be indicative of our future performance and if we fail to effectively manage our growth, our business, financial condition and results of operations could be adversely affected.

We have experienced rapid growth since our inception. However, we cannot assure you that we will be able to maintain our historical growth rates in future periods. Our growth rates may slow down due to a number of reasons, including but not limited to decreasing demand for our products and services, market saturation, increasing competition, emergence of

RISK FACTORS

alternative business models, changes in government policies, increasing regulatory costs, declining growth of automotive aftermarket industry in China, or changes in general economic conditions. If our growth rates slow or decline, investors’ perceptions of our business and prospects may be adversely affected and the market price of our Shares could decline.

We cannot assure you that we will be able to effectively manage our future growth. We intend to achieve growth by expanding the scale of our platform, continuing to invest in technology, further enriching our product and service offerings to address diversified customer demand, partnering with more automotive aftermarket ecosystem participants and further enhancing our brand awareness. We cannot assure you that our growth initiatives will succeed. In addition, our rapid growth has placed, and may continue to place significant demands on our management and our technology systems, as well as our administrative, operational and financial systems. Our ability to manage our growth effectively and to integrate new technologies and participants into our existing business will also require us to continue to implement a variety of new and upgraded managerial, operational, technological and financial systems, procedures and controls.

Our business and growth are affected by changes in customer demand and spending for automotive aftermarket service in China.

Our business and growth are dependent on the customer demand and spending for automotive aftermarket service in China, which could be affected by many factors beyond our control, including:

- The number and age of vehicles in the car parc, as vehicles of a certain age (typically older than three years) may no longer be under the OEMs’ warranties and tend to need more maintenance and repairs than newer vehicles.
- Advances and changes in automotive technology and parts design and increased prevalence of autonomous driving vehicles and shared mobility may reduce collisions and needs for repairs and maintenance.
- Economic downturns, as declining economic conditions may cause customers to defer vehicle maintenance, repairs or other automotive aftermarket services. In addition, economic weaknesses and uncertainty may cause changes in customer preferences, and if such economic conditions persist for an extended period of time, this may result in customers making long-lasting changes to their spending behaviours in the automotive aftermarket markets.
- Changes in commute patterns, which may cause customers to rely more heavily on public transportation or to travel by car less frequently.

RISK FACTORS

- Changes in governmental regulations in the automotive sector, including pollution prevention laws, which may affect automotive repair and maintenance services provided by auto service workshops.

Any of the factors described above may change the customer demand and spending for automotive aftermarket service, and in turn affect the demand for our product and service offerings.

If we fail to cost-effectively attract and retain new users and increase the engagement of existing users on our platform, our business and results of operations could be adversely affected.

The success of our platform depends in part on our ability to cost-effectively attract and retain new users and increase engagement of existing users. We believe that our solutions, selling and marketing efficiency, consistent and reliable quality, and rapid responses to changing user preferences have been critical in promoting awareness of our products and services, which in turn drives new user growth and engagement. However, if our promotional activities and marketing strategies do not work efficiently and we cannot continue to lower or maintain our user acquisition cost, if the users cannot find products or services they are looking for on our platform, or if our competitors offer more incentive promotions, or provide better or more cost-effective products or services, users may lose interest in us and stop placing orders with us.

Any decrease in user base will affect our ability to provide auto parts manufacturers and distributors on our platform with adequate user demands, which may reduce our platform’s attractiveness to them, and the decrease in auto parts manufacturers and distributors on our platform will, in turn, result in further decrease in user base.

If we are unable to provide high-quality service, our reputation and business may be materially and adversely affected.

Our ability to provide high-quality service depends on factors such as our ability to provide a reliable and easy-to-use interface for our users, our ability to further improve and streamline our service process, and our ability to continue to fulfill the demand of auto service workshops. If our users are not satisfied with our services, or if our system is severely interrupted or otherwise fails to meet their demand, our reputation could be adversely affected and we could fail to maintain customer loyalty. Moreover, if the auto parts distributors on our platform provide defective products to our users, we may be subject to potential liabilities and our brand image and reputation may be harmed.

RISK FACTORS

Furthermore, we rely on our customer service support to provide certain services to our customers. If our customer service representatives fail to provide satisfactory services, or if waiting time is too long due to the high volume of customer inquiries, our brand and customer loyalty may be adversely affected.

We may not successfully expand into new product and service categories or upgrade existing products and services.

We may expand into new product and service categories and upgrade our existing products and services to meet our customers’ evolving preferences. It is difficult to predict the preferences of our customers or a specific segment of customers. Changes and upgrades to our existing products and services may not be well accepted by our customers, and newly introduced products and services may not achieve expected results. The efforts to expand into new product categories and services or upgrade existing products and services may also require substantial investments of additional human capital and financial resources. If we fail to improve our existing products and services or introduce new ones in a timely or cost-effective manner, our ability to attract and retain customers may be impaired, and our results of operations and prospects may be adversely affected. For example, we collaborate with selected auto parts manufacturers to provide high-quality auto parts under CassChoice that cater to the specific needs of end users based on our data and business insights. We cannot assure you that the auto parts offered under CassChoice will cater to the needs of potential or existing end users or be welcomed or well accepted by the market as we expect.

Any harm to our brand or reputation may materially and adversely affect our business, market share and results of operations.

We believe that building a strong brand and reputation is critical to our business and competitiveness. The brand recognition and reputation of our “Casstime” brand and the successful maintenance and enhancement of our brand and reputation have contributed and will continue to contribute significantly to our success and growth.

Any negative perception and publicity, whether or not justified, such as complaints and accidents in relation to customer experience, products and services offered through our platform, and our brand awareness and recognition, and actual or perceived deterioration of our product and service quality could tarnish our reputation and reduce the value of our brand, which may result in loss of customers. Further, our competitors may fabricate complaints or negative publicity about us, our employees or our products or services for the purpose of vicious competition.

RISK FACTORS

We are also subject to negative publicity regarding our platform participants, whose activities may be out of our control. Negative public perception on the merchandise sold by auto parts distributors on our platform or through Auto Parts Supermarkets, or services provided by certified auto service workshops under CassCertified, even if factually incorrect or based on isolated incidents, could undermine the trust and credibility we have established and have a negative impact on our ability to attract new customers or retain our current customers.

Our relationship with suppliers and business partners could adversely affect our results of operations.

We collaborate with a variety of suppliers and business partners to operate our business, such as auto parts manufacturers, auto parts distributors, auto service workshops and operators of Auto Parts Supermarkets. Our business depends on developing and maintaining close relationships with such suppliers and business partners. For instance, the willingness of auto service workshops to use our CassMall platform depends whether there are reliable auto parts distributors on our platform that are at proximate locations and can offer high-quality auto parts in need. The success of CassChoice depends to a large extent to our ability to establish collaborations with reputable auto parts manufacturers. In addition, whether we can grow our b2C model under CassCertified also hinges to certain extent on whether high-quality auto service workshops are willing to become our certified stores and collaborate with us. Many factors beyond our control may harm these relationships and the ability or willingness of these suppliers and business partners to establish collaborations with us. If we fail to maintain good relationships with any such suppliers or business partners, our business and results of operations may be adversely affected.

Misconducts by our platform participants, employees, suppliers, manufacturers, third-party service providers and other business partners, including illegal, fraudulent, or collusive activities, may harm our brand and reputation and adversely affect our business and results of operations.

Misconducts, including illegal, fraudulent or collusive activities, unauthorised business conducts and behaviours, or misuse of corporate authorization by our platform participants, employees, suppliers, manufacturers, third-party service providers and other business partners could subject us to liability and negative publicity. They may conduct fraudulent activities, such as accepting payments from or making payments to other third parties in order to bypass our internal system and to complete shadow transactions and/or transactions outside our internal system, disclosing users’ information to competitors or other third parties for personal gains, using or providing counterfeit or inferior products, or applying for fake reimbursement. They may conduct activities in violation of Anti-unfair Competition Law, which may expose us to unfair competition allegations and risks. It is not always possible to identify and deter such misconduct, and the precautions we take to detect and prevent these activities may not be effective.

RISK FACTORS

We are subject to risks relating to the logistics of the products sold on our platform.

In addition to our own logistics services, we also rely on third-party logistics service providers to deliver products sold on our platform, and are not able to control or predict the actions of these service providers. Logistics may be disrupted for a number of reasons that may be beyond our control or the control of our logistics service providers. Further, vehicles and personnel of third-party logistics service providers may be involved in transportation accidents, and the products carried by them may be lost, damaged, destroyed, or may cause safety accidents, and we may be subject to various levels of liabilities associated with personal injuries or property damages if such accidents happen. In addition, we cannot assure you that all such logistics providers have obtained the required permits for dealing with hazardous chemicals. If any of such logistics service providers fails to obtain the required permits in a timely manner or at all, we may be penalized by the governmental authorities for engaging such service providers. Such interruptions to or failures in such third-party logistics service providers’ operations may obstruct the timely or successful delivery of the products sold on our platform. If products are not delivered on time, the auto service workshops may wait longer time to serve their customers, which may harm our brand image and reputation. If the products are delivered in a damaged state, the auto service workshops may return the products and may claim refund from us and their confidence in us may be impaired.

Our business may be affected by advances in automotive technology, such as new energy vehicles and autonomous driving.

The demand for repair and maintenance services and auto part replacements may be adversely affected by continuing developments in automotive technology, including new energy vehicles and autonomous driving. Advances in automotive technology may increase the useful life of auto parts and therefore reduce the demand for automotive aftermarket service. Increased prevalence of sensors and back-up cameras, and increased prevalence of autonomous driving vehicles, may reduce collisions, which may result in reduced needs for repairs and maintenance. New energy vehicles may also require less repairs and maintenance, and when they do, may require more specialised service. If demand for repair and maintenance services and auto part replacements are adversely affected by advances in automotive technology, the transaction volume on our platform and demand for our product and service offerings will also be negatively affected, which may have an adverse effect on our business, results of operations and financial performance.

RISK FACTORS

Flaws in our AI technologies, such as operational failures, bias, or security vulnerabilities, could harm our reputation, undermine market confidence, and materially adversely affect our business as well as the adoption of AI technologies.

We rely on a variety of AI-driven tools and algorithms to support key aspects of our platform, including auto parts identification, procurement and inventory recommendations, and repair guidance for auto service workshops. Our AI technologies are complex and may contain errors, design flaws, inaccurate or biased training data, or other defects that could result in malfunction, misidentification of vehicle parts, inappropriate procurement or inventory recommendations, or inaccurate repair guidance. Any such deficiencies could reduce the reliability or accuracy of our platform, causing user dissatisfaction, operational disruptions, or harm to car owners who depend on the repair or maintenance service from auto service workshops using our tools. In addition, AI models may generate unintended or unpredictable outputs, may not perform consistently across different data environments, and may require continual updates and retraining to remain accurate and secure.

Furthermore, our AI systems may be vulnerable to cyberattacks, data poisoning, adversarial inputs, or other security threats specifically targeting machine-learning models. If our AI tools are compromised or manipulated, or if they are perceived as insecure, biased, or unreliable, our reputation and the confidence of auto service workshops, auto parts distributors and manufacturers could be materially harmed. Because the use of AI in the automotive aftermarket is still developing, negative publicity or heightened regulatory scrutiny related to AI failures could also slow the adoption of AI-enabled solutions more broadly.

Failure to obtain license or approval regarding value-added telecommunications services may affect our ability to conduct or expand our business.

Pursuant to the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “Telecommunications Regulations”), which was promulgated by the State Council on September 25, 2000 and amended on July 29, 2014 and February 6, 2016, telecommunications services providers are required to obtain an operating license prior to the commencement of their operations. The Telecommunications Regulations categorize telecommunications services under basic telecommunications services and value-added telecommunications services. According to the Catalog of Telecommunications Business (《電信業務分類目錄》) attached to the Telecommunications Regulations, which was promulgated by the MIIT on February 21, 2003 and amended by the MIIT on December 28, 2015 and June 6, 2019, the Internet information services and the online data processing and transaction processing services fall within the value-added telecommunications services.

RISK FACTORS

Pursuant to the Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》), which was promulgated by the State Council in December 2001, last amended in March 2022 and took effect on May 1, 2022 (the “2022 FITE Regulations”), foreign investors may hold an aggregate of no more than 50% of the total equity in any value-added telecommunications business in China. The Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “Negative List”), which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and took effect on November 1, 2024, sets out that foreign investment in companies providing value-added telecommunications services, excluding e-commerce, domestic multi-party communications, storage-forwarding and call centers, should not exceed 50% of the total equity interests. Pursuant to the Circular on Implementing the Pilot Programs Work to Expand the Opening-up of the Value-Added Telecommunications Services (《工業和信息化部關於開展增值電信業務擴大對外開放試點工作的通告》) (the “MIIT Circular”) issued by the Ministry of Information Industry (the “MIIT”, now known as the “MIIT”) on April 8, 2024, MIIT further launched pilot programs to expand the opening-up of value-added telecommunications services. In the regions approved to launch pilot programs (including Shenzhen), foreign ownership restrictions in certain value-added telecommunications business are removed, including internet data centers services, content delivery networks services, internet access services, online data processing and transaction processing services, information publishing platforms and delivery services (excluding internet news information, online publishing, online audiovisual, and internet cultural operations) and information protection and processing services. As of the Latest Practicable Date, Casstime Technology (Shenzhen) Co., Ltd. (開思時代科技(深圳)有限公司) (the “Casstime Shenzhen”) has obtained the Foreign-funded ICP Pilot Approval and the EDI License for foreign-funded enterprises from the MIIT.

We operate an auto parts trading platform CassMall (開思汽配) and an auto parts procurement platform CassChoice (開思嚴選) through Shenzhen Casstime Technology Co., Ltd. (深圳開思時代科技有限公司) (the “Shenzhen Casstime”), which constitutes the Internet information services and the online data processing and transaction processing services of value-added telecommunications services in the PRC. Shenzhen Casstime has obtained ICP License and EDI License for domestic-funded enterprises for the Track Record Period. However, since its shareholders changed from domestic investors to indirect foreign investors in January 2026, Shenzhen Casstime is required to obtain Foreign-funded ICP Pilot Approval and EDI License for foreign-funded enterprises to provide such services. As of the Latest Practicable Date, Shenzhen Casstime has submitted an application for such qualification or license to the MIIT, but such qualification or license has not yet been issued. If an entity operates value-added telecommunications services without the required qualification or license, such entity may be ordered by the relevant governmental authority to rectify the violation, confiscate illegal gains and be imposed a fine. For serious offences, the relevant governmental authority may order such entity to suspend business operations and undergo rectification.

RISK FACTORS

In the interview conducted with the Communication Administration of Shenzhen Municipality on December 1, 2025 (the “Interview”), the official verbally confirmed that before Shenzhen Casstime obtains the Foreign-funded ICP Pilot Approval and EDI License for foreign-funded enterprises on its own name, Shenzhen Casstime can continue to provide such services, given that its sole shareholder, Casstime Shenzhen, holds such Foreign-funded ICP Pilot Approval and EDI License for foreign-funded enterprises. In such Interview, the official also confirmed that the Communication Administration of Shenzhen Municipality is the competent authority to confirm matters relating to the operations of value-added telecommunication business and application of relevant approval or license and Shenzhen Casstime has obtained all required categories of value-added telecommunications services licenses for its business operations as of the interview date. In addition, as of the Latest Practicable Date, we had not received any inquiry or notice from the competent authorities regarding the lack of the relevant Foreign-funded ICP Pilot Approval and EDI License for foreign-funded enterprises by Shenzhen Casstime.

However, due to the evolving interpretation and implementation of existing laws and the adoption of additional laws and regulations, the licenses, permits, registrations, or filings we hold may be deemed insufficient by the PRC government, which may restrain our ability to expand our business scope and may subject us to fines or other regulatory actions. Regulators may also view matters or interpret current laws and regulations differently than they have in the past or in a manner adverse to our business. If the relevant authorities determine that our business has not obtained the requisite licenses or our operations are not in compliance with the relevant regulations, we may be required to suspend our operations, which may cause significant loss of our users and materially and adversely affect our business, results of operations and financial condition. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings, we may be subject to various activities, including the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, results of operations and financial condition.

Increases in labour costs in the PRC and noncompliance with labour laws and regulations may materially and adversely affect our business and our margin profile.

China’s overall economy and the average wage have increased in recent years and are expected to continue to grow. The average wage level for our employees has also increased in recent years. We expect that our labour costs, including wages and employee benefits, will continue to increase. Unless we are able to pass on these increased labour costs to our customers who pay for our products and services, our margin profile and results of operations may be materially and adversely affected. Further, pursuant to the PRC Labour Contract Law, as amended, or the Labour Contract law, and its implementation rules, employers are subject to various requirements in terms of signing labour contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labour contracts. In the event that we decide to terminate some of our employees or otherwise

RISK FACTORS

change our employment or labour practises, the Labour Contract Law and its implementation rules may limit our ability to affect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

In addition, under the PRC Social Insurance Law and the Administrative Measures on Housing Provident Fund, employees are required to participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance, and housing provident funds, and employers are required, together with their employees or separately, to pay the contributions to social insurance and housing provident funds for their employees. During the Track Record Period and as of the Latest Practicable Date, we had not made social insurance and housing provident fund contributions for some of our employees in full in accordance with the relevant PRC laws and regulations. The relevant governmental authorities may examine whether an employer has made adequate payments of the requisite statutory employee benefits, and employers who fail to make adequate payments may be subject to late payment fees, fines and/or other penalties. In addition, during the Track Record Period, certain of our PRC subsidiaries engaged third-party human resources agencies to make social insurance and housing fund contributions for some of employees, and we cannot assure you that such third-party agencies make such contributions in full in a timely manner, or at all, and even if they do, regulators may deem such practise to be noncompliant with the relevant labour laws and bring enforcement actions against us. If the relevant PRC authorities determine that we shall make up for social insurance and housing fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

Pursuant to the applicable PRC laws and regulations, an employer that fails to make social insurance contributions may be ordered to pay the required contributions within a stipulated deadline and be subject to a late fee of 0.05% of the amount overdue per day from the original due date by the relevant authority. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount. Pursuant to the applicable laws and regulations, if there is a failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. For more information, see “Regulatory Overview”.

Mr. Jiang, our executive Director, Chairman of our Board, Chief Executive Officer and co-founder, has undertaken to indemnify us against all of such outstanding shortfalls, penalties or damages in the event that we are required to pay any of the abovementioned outstanding contributions, or any overdue charges or penalties imposed by the relevant PRC authorities. Based on the above, no provisions were made in respect of the aforesaid underpayment of social insurance and housing provident fund.

RISK FACTORS

During the Track Record Period and up to the Latest Practicable Date, (i) we had not received any notification from relevant government authorities requiring us to pay shortfalls or the penalties with respect to social insurance or housing provident funds due to employees reports or complaints; (ii) we had not been subject to any administrative penalties regarding social insurance or housing provident funds due to employee reports or complaints, nor are we aware of any major employee complaints or significant disputes with respect to social insurance or housing provident funds; (iii) upon consultation with the relevant local authorities, if there is no employee reports of complaints they have confirmed that they will not proactively request for the underpayment portion of the social insurance or housing provident funds in respect of our Company and our principal operating subsidiary; (iv) we will make full contributions or pay any shortfall within a prescribed time period if demanded by the relevant government authorities; and (v) Mr. Jiang will fully indemnify us for any loss as a result of failure to pay such social insurance or housing provident fund. Based on above and on the condition that Mr. Jiang is capable of fulfilling the aforesaid commitments, our PRC Legal Adviser is of the view that the likelihood of us being subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions and any material penalties due to the failure to provide such contributions in full amount for our employees is remote, according to the applicable regulatory policies, provided no claims or complaints are filed against us by our employees and no significant changes in existing laws, regulations, policies, or implementation or supervision requirements of the relevant government authorities.

However, we cannot assure you that our employment practices will be deemed to be in compliance with labour-related laws and regulations in China due to the changes in labour laws and regulations, related interpretations and implementations, which may subject us to labour disputes or government investigations. If we are deemed to have violated relevant labour laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Our use of certain leased properties could be challenged by third parties or governmental authorities, which may expose us to potential fines and negatively affect our ability to use the properties we lease.

As of the Latest Practicable Date, we had leased 95 properties for use as our office spaces and warehouses. We have not been provided by the some of lessors with the applicable certificates, approvals or any other documentation proving their right to lease relevant properties to us. If such lessors are not the owners of the properties and they have not obtained consents from the owners or their lessors, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the owners or other parties who have the right to lease the properties, and the terms of the new leases may be less favorable to us. In addition, in the event that our use of properties is successfully challenged, we may be forced to relocate. Moreover, we may become involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. We can provide no assurance that we will be able to find suitable replacement sites on terms acceptable to us on a timely basis,

RISK FACTORS

or at all, or that we will not be subject to material liability resulting from third parties’ challenges on our use of such properties. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, the leasehold interests of our leases have not been registered with the relevant PRC governmental authorities as required by PRC law, which may expose us to potential fines if we fail to remediate after receiving any notice from the relevant PRC governmental authorities. Failure to complete the lease registration will not affect the legal effectiveness of the lease agreements according to PRC law, but the real estate administrative authorities may require the parties to the lease agreements to complete lease registration within a prescribed period of time, and failure to do so may subject the parties to fines from RMB1,000 to RMB10,000 for each of such lease agreements.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any actions, claims or investigations threatened against us or our lessors with respect to the defects in our leasehold interests which may have a material adverse impact on our business, financial condition and results of operation. However, if any of our leases is terminated as a result of challenges by third parties or governmental authorities for lack of title certificates or proof of authorization to lease, we do not expect to be subject to any fines or penalties, but we may be forced to relocate the affected offices or warehouses and incur additional expenses relating to such relocation. We cannot guarantee that suitable alternative locations are readily available on commercially reasonable terms, or at all, and if we fail to relocate our operations in a timely manner, our operations may be interrupted.

Failure to renew our current leases or locate desirable alternatives for our facilities could materially and adversely affect our business.

We lease properties for use as office spaces and warehouses. We may not be able to successfully extend or renew such leases upon expiration, on commercially reasonable terms or at all, and may be forced to relocate the affected operations. Such relocation may disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. We may not be able to locate desirable alternative sites for our facilities as our business continues to grow and failure in relocating our operations when required could adversely affect our business and operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. Even if we are able to extend or renew the respective leases, rental payments may significantly increase as a result of the high demand for the leased properties.

We may be subject to product defects or other quality issues and product liability exposure.

Products sold on our platform may be defective or of substandard quality. Defects in products could result in personal injury and property damage and may give rise to claims against us for losses and expose us to claims for damages. There can be no assurance that the insurance held by us will be adequate to cover the associated risks of the sale and use of defective products. In the event that product liability arises, sales of such products could

RISK FACTORS

expose us to product liability claims relating to personal injury or property damage and may require product recalls or other actions. Third parties subject to such injury or damage may bring claims or legal proceedings against us. In addition, if we fail to provide the real names, addresses and valid contact details of the manufacturers or suppliers, the end users may also claim damages from us. To the extent such liability is either not covered by our insurance or exceeds the policy limits, the aggrieved parties could seek to recover their losses from us, which could increase litigation costs or result in liability for us. Additionally, if we deliver any defective products, or if there is a perception that products sold on our platform are of substandard quality, we may incur substantial costs associated with product recall, product returns and replacements, our credibility and market reputation could be harmed and our results of operations and market share may be adversely affected. We had not been subject to any material product defects related litigations, incidents or penalties during the Track Record Period.

We face intense competition and may fail to maintain our market share.

The automotive aftermarket industry in China is highly competitive. We may face competitors in each of our business segments, such as other auto parts online trading platforms, platforms that offer procurement services, or platforms that offer similar value-added services as us. New competitors may emerge at any time. Our competitors may be well-established and be able to devote greater resources to the development, promotion and sale of product and service offerings and offer lower prices than we do, which could adversely affect our results of operations. If we cannot equip ourselves with necessary resources, we may fail to take market share as competition increases. Moreover, certain competitors may have greater brand recognition, which may give them competitive advantages.

Our current and potential competitors may also establish cooperative or strategic relationships amongst themselves or with third parties that may further enhance their resources and offerings. If we are unable to anticipate or react to these competitive challenges, our competitive position could weaken or fail to improve.

Our business is subject to complex and evolving laws and regulations regarding cybersecurity, privacy, data protection and information security in China. Any privacy or data security breach or failure to comply with these laws and regulations could damage our reputation and brand and substantially harm our business and results of operations.

As a platform, our business generates and processes a large amount of data. We face risks inherent in handling and protecting large volumes of data, including protecting the data hosted in our system, detecting and prohibiting unauthorized data share and transfer, preventing attacks on our system by outside parties or fraudulent behaviour or improper use by our employees, and maintaining and updating our database. Any system failure, security breach, third-party attacks or attempts to illegally obtain the data that results in any actual or perceived release of user data could damage our reputation and brand, deter current and potential customers from using our services, negatively affect our business, and expose us to potential legal liability.

RISK FACTORS

Personally identifiable and other confidential information is increasingly subject to legislation and regulations in China and numerous foreign jurisdictions. The PRC governmental authorities have enacted a series of laws and regulations relating to the protection of personal information and/or the supervision over data processing activities. For more information, see “Regulatory Overview — Regulations on Data Security and Personal Information Protection.”

Any failure, or perceived failure, by us, or by our employees or partners, to maintain the security of our user data or to comply with applicable PRC or foreign privacy, data security and personal information protection laws, regulations, policies, contractual provisions, industry requirements and other requirements may result in civil or regulatory liability, including governmental or data protection authority enforcement actions and investigations, fines, penalties, enforcement orders requiring us to cease operating in a certain way, revoking our business permits or business licences, litigation or adverse publicity, and may require us to expend significant resources in responding to and defending allegations and claims. Furthermore, claims or allegations that we have failed to adequately protect our users’ data, or otherwise violated applicable privacy and data security laws, regulations, policies, contractual provisions, industry standards or other requirements, may result in damage to our reputation and a loss of confidence in us by our users or our partners, potentially causing us to lose users, other business partners and revenues, which could have a material adverse effect on our business, financial condition and results of operations.

Our legal advisor as to PRC cybersecurity and data protection law holds the view that, during the Track Record Period and up to the Latest Practicable Date, we had been in compliance in all material respects with all applicable cybersecurity and data protection laws and regulations, for the following reasons: (i) we have adopted comprehensive internal policies and measures on protection of cybersecurity, data and privacy to ensure continuous regulatory compliance; (ii) we have not received any investigation, enquiry, warning, penalty or sanction from governmental authorities (including the CAC and its local branches) with regard to the Company’s practices in relation to cybersecurity, data and privacy; (iii) we have not been involved in any legal proceedings initiated by governmental authorities or third parties in relation to cybersecurity, data and privacy; and (iv) there has not been any cybersecurity incident or unauthorized misappropriation, leakage or loss of data that had any material adverse impacts on the business operations of the Company. Furthermore, we have not been involved in any legal or regulatory proceedings related to data security that have resulted in a significant adverse effect. As of the Latest Practicable Date, our current business operations in PRC and business expansion plans do not involve any cross-border transmission of data from PRC to overseas jurisdictions (and vice versa). In case any cross-border transmission of data is involved in our business operations in PRC or expansion plans in the future, we will accordingly take measures to ensure compliant transmission.

We currently have a data privacy policy on how we collect, store, process and use user data and information. We cannot assure you that our existing privacy and personal protection system and technical measures will always be considered sufficient under applicable laws, regulations and other privacy standards. We could be adversely affected if legislation or

RISK FACTORS

regulations in China are expanded to require changes in business practises or privacy policies, or if the PRC governmental authorities interpret or implement their legislation or regulations in ways that negatively affect our business. We may also be subject to additional regulations, laws and policies adopted by the PRC government to apply more stringent social and ethical standards in data privacy resulting from the increased global focus on this area.

Any failure to protect our intellectual property could harm our business and competitive position.

We regard our proprietary technologies, trademarks, copyrights, patents, domain names, know-how and similar intellectual property as critical to our success. We rely on a combination of intellectual property laws and contractual arrangements to protect our proprietary rights. However, the functionality of our apps and websites might be reproduced and our source code might be copied. We have been and may continue to be an attractive target to attacks in the future because of our brand recognition in China. We have policies and measures in place to prevent unauthorized use of our intellectual property. However, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated. For instance, we cannot guarantee that we can successfully protect our intellectual property and exclusive rights from unauthorized usage by third parties or breach of confidentiality obligations by our counterparties. Statutory laws and regulations are also subject to changes in judicial interpretations and implementations. Confidentiality, invention assignment and non-compete agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights. Policing any unauthorised use of our intellectual property is difficult and costly and the steps we take may be inadequate to prevent the infringement or misappropriation of our intellectual property. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors.

We may be subject to intellectual property infringement claims.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We have been, and from time to time in the future may be, subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our products, services or other aspects of our business without our awareness. If any third-party infringement claims are brought against us, we may be forced to divert management’s time and other resources from our business and operations to defend against these claims, regardless of their merits.

RISK FACTORS

Any disruption to our technology systems and resulting interruptions in the availability of our websites, applications, platforms, or services could adversely affect our business and results of operations.

The satisfactory performance, reliability and availability of our technology systems are critical to our success. We rely on our scalable technology infrastructure and corresponding online interfaces to connect our network with those of our various platform users. However, our technology systems or infrastructure may not function properly at all times. We may be unable to monitor and ensure high-quality maintenance and upgrade of our technology systems and infrastructure, and users may experience service outages and delays in accessing and using our platforms as we seek to source additional capacity. In addition, we may experience surges in online traffic and orders associated with promotional activities and generally as we scale, which can put additional demand on our platform at specific times. We had not experienced any material incident on our technology systems during the Track Record Period. However, any disruption to our technology systems and resulting interruptions in the availability of our website, applications, platform or services could adversely affect our business and results of operations.

Our technology systems may also experience telecommunications failures, computer viruses, failures during the process of upgrading or replacing software, databases or components, power outages, hardware failures, user errors, or other attempts to harm our technology systems, which may result in the unavailability or slowdown of our platform or certain functions, delays or errors in transaction processing, loss of data, inability to accept and fulfill orders, reduced order volume and the attractiveness of our platform. Further, hackers, acting individually or in coordinated groups, may also launch distributed denial of service attacks or other coordinated attacks that may cause service outages or other interruptions in our business. Any of such occurrences could cause severe disruption to our daily operations.

We may fail to successfully make necessary or desirable strategic alliance, acquisition, or investment, and we may not be able to achieve the benefits we expect from the strategic alliances, acquisition, or investments we make.

We may pursue selected strategic alliances and potential strategic acquisitions that are supplemental to our business and operations. However, strategic alliances with third parties could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance or default by counterparties, and increased expenses in establishing these new alliances. In addition, we may have limited ability to control or monitor the actions of our strategic partners. To the extent a strategic partner suffers any negative publicity as a result of its business operations, our reputation may be negatively affected by virtue of our association with such party.

The costs of identifying and consummating strategic acquisitions may be significant and subsequent integrations of newly acquired companies, businesses, assets and technologies would require significant managerial and financial resources and could result in a diversion of resources from our existing business. In addition, investments and acquisitions could result in

RISK FACTORS

the use of substantial amounts of cash, potentially dilutive issuances of equity securities and exposure to potential unknown liabilities of the acquired business. The acquired businesses or assets may not generate the financial results we expect and may incur losses. The cost and duration of integrating newly acquired businesses could also materially exceed our expectations.

If we are unable to recruit, train and retain qualified personnel, our business may be materially and adversely affected.

We believe our future success depends on our continued ability to attract, develop, motivate and retain qualified and skilled personnel. We may not be able to hire and retain these personnel at compensation levels consistent with our existing compensation and salary structure. Some of the companies with which we compete for experienced employees have greater resources than we have and may be able to offer more attractive terms of employment. In addition, we invest significant time and resources in training our employees, which increases their value to competitors who may seek to recruit them. If we fail to retain our employees, we could incur significant expenses in hiring and training new employees, and our ability to serve users and business partners could diminish, resulting in a material adverse effect to our business.

We may not be able to obtain additional capital when desired, on favourable terms or at all.

We need to make continued investments in facilities, hardware, software, technological systems and to retain talents to remain competitive. Due to the unpredictable nature of the capital markets and our industry, we cannot assure you that we will be able to raise additional capital on terms favourable to us, or at all, if and when required, especially if we experience disappointing operating results. If adequate capital is not available to us as required, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited. If we do raise additional funds through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges on par with or senior to those of existing shareholders.

Regulatory actions, legal proceedings, and customer complaints against us or our constituents could harm our reputation and have a material adverse effect on our business, results of operations, financial condition and prospects.

We were involved in litigations and other disputes in the ordinary course of our business, which include lawsuits, arbitration, regulatory proceedings and other disputes relating to our business. Along with growth and expansion of our business, we or our constituents may be involved in litigations, regulatory proceedings and other disputes arising outside the ordinary course of our business. Such litigations and disputes may result in claims for actual damages, freezing of our assets, diversion of our management’s attention and reputational damage to us and our management, as well as legal proceedings against our directors, officers or employees, and the probability and amount of liability, if any, may remain unknown for long periods of

RISK FACTORS

time. Given the uncertainty, complexity and scope of many of these litigation matters, their outcome generally cannot be predicted with any reasonable degree of certainty. Moreover, even if we or our constituents eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm.

We have granted options and may continue to grant options, restricted share units and other types of awards under our share incentive plan, which may result in increased share-based compensation expenses.

We adopted our Equity Incentive Plan for the purpose of granting share-based compensation awards to employees, directors and consultants to secure and retain the services of eligible award recipients and to provide incentives for such persons to exert maximum efforts for our success. For further detailed information, please refer to “Appendix IV Statutory and General Information D. Equity Incentive Schemes.” We recognize expenses in our consolidated financial statements in accordance with IFRS. Expenses associated with share-based compensation will affect our financial performance, and any additional securities issued pursuant to the Equity Incentive Plan will dilute the ownership interests of our shareholders. Under the Equity Incentive Plan, we are authorized to grant options, restricted share awards, restricted share unit awards and other types of share awards. As of the Latest Practicable Date, the maximum aggregate number of ordinary shares which may be issued pursuant to all awards under the Equity Incentive Plan is 11,464,271 ordinary shares. We recorded share-based compensation expenses of RMB19.2 million, RMB5.1 million and RMB3.1 million in 2023, 2024 and 2025, respectively. We expect to incur substantial share-based compensation expenses in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations. Further, we may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the grants under our equity incentive plan from time to time. If we choose to do so, we may experience substantial change in our share-based compensation charges in the reporting periods following the [REDACTED].

Fair value changes in our convertible bonds issued to the convertible bonds investors and related valuation uncertainty due to unobservable inputs of our convertible bonds may affect our financial condition and results of operations.

In March 2022, March 2023 and May 2023, we entered into agreements to issue convertible bonds to investors. These convertible bonds had been repaid in 2023 and then we had issued relevant redeemable convertible preferred shares to these bond holders. In September 2025, we entered into a convertible bond agreement with a third party to issue RMB70,000,000 convertible bonds at a coupon interest rate of 6% per annum. The bonds should be matured on 29 September 2026. The bonds could be converted to the redeemable convertible preferred shares of the Company within the 6 months if (i) we initiate a new financing with a total amount of no less than RMB170,000,000 and (ii) all shareholders agree to postpone the [REDACTED] date no earlier than 30 September 2027. Regardless of whether the above requisites are met, the bondholder has the right to convert the bonds to the

RISK FACTORS

redeemable convertible preferred shares when the Company submits the [REDACTED] application materials. For more details, please see “History and Development — Pre-[REDACTED] Investments — Issuance of Convertible Bonds” and Note 30 (b) of Appendix I.

In addition, during the Track Record Period, we issued convertible redeemable preferred shares, all of which are designated as financial liabilities at fair value through profit or loss. During the Track Record Period, the fair value change of financial assets and financial liabilities at fair value through profit or loss — net of negative RMB432.0 million, negative RMB318.5 million and negative RMB342.8 million in 2023, 2024 and 2025, respectively. After the automatic conversion of the convertible redeemable preferred shares into Shares upon the [REDACTED], which will result in a net asset position, we do not expect to recognize any further losses or gains on fair value changes from the convertible redeemable preferred shares in the future.

Our success depends on the continuing efforts of our senior management and key employees.

Our future success is significantly dependent upon the continued service of our senior management and other key employees. If we lose their service, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff. Our founder and chief executive officer, Mr. JIANG Yongxing, and other management members are critical to our vision, strategic direction, culture and overall business success. If there is any internal organizational structure change or change in responsibilities for our management or key personnel, or if one or more of our senior management members were unable or unwilling to continue in their present positions, the operation of our business and our business prospects may be adversely affected. Our employees, including members of our management, may choose to pursue other opportunities. If we are unable to motivate or retain key employees, our business may be severely disrupted and our prospects could suffer. In addition, although we have entered into confidentiality and non-competition agreements with our management, there is no assurance that our management members would not join our competitors or form a competing business. If any dispute arises between our current or former officers and us, we may have to incur substantial costs and expenses in order to enforce such agreements in China or we may not be able to enforce them at all.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our operations.

Our business could be materially and adversely affected by natural disasters, health epidemics or other public safety concerns affecting China. Natural disasters may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to operate our platform and provide services and solutions. In recent years, there have been outbreaks of epidemics in China and globally, such as COVID-19, H1N1 flu, avian flu or another epidemic. Our business operations could be disrupted by any of these epidemics. In addition, our results of operations could be adversely affected to the extent that any health epidemic harms the Chinese economy in general. A

RISK FACTORS

prolonged outbreak of any of these adverse public health developments could have a material adverse effect on our business operations. Our headquarters are located in Shenzhen, where most of our management and employees currently reside. Most of our system hardware and back-up systems are hosted in facilities located in Shenzhen. Consequently, if any natural disasters, health epidemics or other public safety concerns were to affect Shenzhen, our operation may experience material disruptions, which may materially and adversely affect our business, financial condition and results of operations.

Our insurance coverage may not be adequate, and increased insurance costs could adversely affect our results of operations.

We maintain certain insurance policies to safeguard us against risks and unexpected events, including accident insurance and employer’s liabilities insurance for management and employees as well as overseas personnel insurance. We do not maintain business interruption insurance. We consider our insurance coverage to be sufficient for our business operations in China. However, we cannot assure you that our insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

A severe or prolonged downturn in Chinese or global economy could materially and adversely affect our business and financial condition.

The global macroeconomic environment has been facing numerous challenges. The growth rate of the Chinese economy had already been slowing since 2010. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world’s leading economies, including the United States and China. The war in Ukraine and the imposition of broad economic sanctions on Russia could raise energy prices and disrupt global markets. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Any severe or prolonged slowdown in the global or Chinese economy may materially and adversely affect our business, results of operations and financial condition.

We are subject to anti-corruption, anti-bribery, sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses.

We are subject to anti-corruption, anti-bribery, sanctions and similar laws and regulations. We have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. These interactions subject

RISK FACTORS

us to an increased level of compliance related concerns. We have implemented policies and procedures designed to ensure compliance by us and our Directors, officers, employees, representatives, consultants, agents and business partners with applicable anti-corruption and anti-bribery and similar laws and regulations. However, our policies and procedures may not be sufficient and our Directors, officers, employees, representatives, consultants, agents and business partners could engage in improper conduct for which we may be held responsible, or subject us to financial loss and sanctions or penalties imposed by governmental authorities while seriously damaging our reputation.

Any export controls or any economic or trade restrictions in the U.S. or elsewhere applicable to our businesses could be complex and may change frequently. The interpretation and enforcement of such laws and regulations involve uncertainties. Any potential restrictions imposed on us or our suppliers, as well as any associated inquiries or investigations or any other government actions, may be difficult or costly to comply with and may cause disruptions to our service offerings and business operations.

Risks Related to Doing Business in the Country Where We Operate

Changes in economic, political or social conditions or government policies in markets where we operate could affect our business and operations.

Substantially all of our assets and operations are located in China. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a large degree by economic, political and social conditions in China generally. The PRC government may exert influence over China’s economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. In addition, the PRC government continues to play a significant role in regulating industry development by imposing relevant industrial policies.

The PRC economy has experienced significant growth over the past decades. However, economic growth may differ geographically and among various sectors, and the economy’s rate of growth has gradually slowed down in recent years. Any adverse changes in economic conditions in China, in the policies of the PRC government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our services and adversely affect our competitive position. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may not benefit us. For example, our financial condition and results of operations may be adversely affected by certain capital investments policies or changes in tax regulations.

RISK FACTORS

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with overseas listings issued by PRC government authorities.

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and their implementation guidelines. The Trial Measures, which came into effective on March 31, 2023, mainly provide the scope of activities subject to the filing requirement, the entities subject to filing obligations, and the filing procedures. We are required to file with the CSRC in accordance with the Trial Measures after our application for the [REDACTED] is submitted, and there is uncertainty as to whether we will be able to complete the filing procedures or obtain approval for this [REDACTED] in a timely manner or at all.

In addition, if the CSRC or other PRC regulatory authorities in the future promulgate new rules or explanations imposing further requirements that we obtain their approvals or complete the required filing or other regulatory procedures for this [REDACTED] or future capital raising activities, there can be no assurance that we will be able to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any changes or negative publicity regarding such approval, filing or other requirements could materially and adversely affect our business, prospects, financial condition, reputation, and the [REDACTED] of our Shares.

Any misunderstanding or mis-perception of the interpretation and enforcement of PRC laws and regulations could adversely affect us.

The PRC legal system is evolving, and laws, regulations, rules and related interpretations, implementations and enforcement practices may continue to change. For instance, certain regulators may have discretion in interpreting and implementing statutory terms, and there can be no assurance that we will obtain an outcome of a judicial or administrative proceeding as we expect, which may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business and results of operations. Furthermore, our operations may also be subject to certain government policies and internal rules. As a result, we may not always be aware of any potential violation of these policies and rules in a timely manner. Such unpredictability towards our contractual, property (including intellectual property) and procedural rights could adversely affect our business and impede our ability to continue our operations.

We may be adversely affected by changes in PRC regulations governing internet-related services in the PRC.

The internet industry, including foreign ownership of, and the licencing and permit requirements pertaining to, companies operating in the internet industry need to comply with various PRC laws and regulations. These internet-related laws and regulations are relatively

RISK FACTORS

new and evolving, and their interpretation and enforcement may further develop. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations.

The legality of exiting and future foreign investments in and the business and activities of, internet businesses, including our business is subject to changes in the interpretations and implementations of existing PRC laws, regulations and policies and possible new laws, regulations or policies relating to the internet industry. We cannot assure you that we have obtained all the permits or licences required for conducting our business in China or will be able to maintain our existing licences or obtain new ones.

It may be difficult to effect service of process upon us or our Directors or executive officers or to enforce against them any judgements obtained from non-PRC courts.

All of our executive Directors and executive officers reside within China, and substantially all of our assets are located within China. Relevant PRC laws and regulations are applicable to effect service of process upon us or our executive Directors and officers inside China or to enforce against us or them in China any judgements obtained from non-PRC courts. China does not have treaties providing for the reciprocal recognition and enforcement of judgements of courts of the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgements of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavourable tax consequences to us and our non-PRC shareholders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with “de facto management body” within China is considered a “resident enterprise” and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise.

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and the term “de facto management body” is still subject to future changes in interpretation.” If the PRC tax authorities determine that our company is a PRC resident enterprise for enterprise income tax purposes, we could be subject to PRC tax at a rate of 25% on our worldwide income, which could materially reduce our net income, and we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our Shares. In addition, non-resident enterprise shareholders may be subject to PRC tax at a rate of 10% on gains realised on the sale or other disposition of Shares, if such income is treated as sourced from within China.

RISK FACTORS

Furthermore, if we are deemed a PRC resident enterprise, dividends payable to our non-PRC individual shareholders and any gain realised on the transfer of Shares by such shareholders may be subject to PRC tax at a rate of 10% in the case of non-PRC enterprises or a rate of 20% in the case of non-PRC individuals unless a reduced rate is available under an applicable tax treaty. It is subject to future interpretation on whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your [REDACTED] in the Shares.

We face uncertainties with respect to indirect transfer of equity interests in PRC resident enterprises by their non-PRC holding companies.

We face uncertainties regarding the reporting on and consequences of previous private equity financing transactions involving the transfer and exchange of shares in our company by non-resident investors. In February 2015, the State Administration of Taxation, or SAT, issued the Announcement on Several Issues Concerning the Enterprise Income Tax on Indirect Transfer of Assets by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》), or the SAT Circular 7. Pursuant to the SAT Circular 7, an “indirect transfer” of PRC assets, including a transfer of equity interests in an unlisted non-PRC holding company of a PRC resident enterprise, by non-PRC resident enterprises may be re-characterised and treated as a direct transfer of the underlying PRC assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee or other person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise.

We face uncertainties on the reporting and consequences of future private equity financing transactions, share exchanges or other transactions involving the transfer of shares in our company by investors that are non-PRC resident enterprises. The PRC tax authorities may pursue such non-resident enterprises with respect to a filing or the transferees with respect to withholding obligation, and request our PRC subsidiaries to assist in the filing. As a result, we and non-resident enterprises in such transactions may become at risk of being subject to filing obligations or being taxed under the SAT Circular 7, and may be required to expend valuable resources to comply with them or to establish that we and our non-resident enterprises should not be taxed under these regulations, which may have a material adverse effect on our financial condition and results of operations.

If we fail to maintain preferential tax treatments and government subsidies or if the calculation of our tax liability is successfully challenged, we may be required to pay tax, interest and penalties in excess of our tax provisions.

Our PRC subsidiaries enjoy certain tax incentives pursuant to relevant law and regulations, including reduced enterprise income tax rates. For example, under the Enterprise Income Tax Law and its implementation rules, hereinafter referred to as EIT Law, the statutory

RISK FACTORS

enterprise income tax rate is 25%. However, the income tax of an enterprise that has been determined to be a high and new technology enterprise can be reduced to a preferential rate of 15%. Certain of our PRC subsidiaries were subject to a preferential income tax rate of 15%, as they were qualified as High-New Technology Enterprises (the “HNTE”) during Track Record Period. In 2023, 2024 and 2025, we recognized government grants of RMB15.9 million, RMB3.8 million and RMB2.4 million, respectively, which were awarded by the local governments to support our operations. Any increase in the enterprise income tax rate applicable to our PRC subsidiaries in China, or any discontinuation, retroactive or future reduction or refund of any of the preferential tax treatments and local government subsidies currently enjoyed by our PRC subsidiaries in China, could adversely affect our business, financial condition and results of operations.

Further, in the ordinary course of our business, we are subject to complex income tax and other tax regulations, and significant judgement is required in the determination of a provision for income taxes. Although we believe our tax provisions are reasonable, if the PRC tax authorities successfully challenge our position and we are required to pay tax, interest and penalties in excess of our tax provisions, our financial condition and results of operations would be materially and adversely affected.

The M&A Rules and certain other relevant regulations may make it more difficult for us to pursue growth through acquisitions, and changes to or failure to comply with anti-monopoly and competition laws could adversely affect our business, financial condition, or operating results.

The M&A Rules and some other regulations and rules concerning mergers and acquisitions established procedures and requirements for some acquisitions of Chinese companies by foreign investors, including requirements in some instances that the Ministry of Commerce of the PRC be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of the NPC which became effective in 2008 requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the Ministry of Commerce before they can be completed. In addition, the security review rules issued by the Ministry of Commerce that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise “national defence and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the Ministry of Commerce, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement.

In the future, we may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming,

RISK FACTORS

and any required approval processes, including obtaining approval or clearance from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知》), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted or will be granted share options will be subject to these regulations when our company becomes an overseas-[REDACTED] company upon the completion of the [REDACTED]. Failure to complete SAFE registrations may subject them to fines, and legal sanctions and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries’ ability to distribute dividends to us. In light of the above, we cannot assure you that we will continuously adopt additional incentive plans for our directors, executive officers and employees under PRC law. See “Regulatory Overview — Regulations on Stock Incentive Plans.”

In addition, SAT has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities. See “Regulatory Overview — Regulations on Stock Incentive Plans.”

RISK FACTORS

Our PRC subsidiaries’ ability to change their registered capital or distribute profits to us is subject to PRC regulations relating to offshore investment activities by PRC residents or we and our PRC resident beneficial owners may be subject to liability and penalties due to non-compliance of relevant laws and regulations.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as change of a PRC individual shareholder, name and operation term, or any significant changes with respect to the offshore special purpose vehicle, such as increase or decrease of capital contribution, share transfer or exchange, or mergers or divisions. SAFE Circular 37 is applicable to our shareholders who are PRC residents.

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing its profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. In February 2015, SAFE promulgated a Circular on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Circular 13, effective in June 2015. Under SAFE Circular 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

We may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company, nor can we compel our beneficial owners who are PRC individuals to comply with SAFE registration requirements. We cannot assure you that all shareholders or beneficial owners of ours who are PRC residents have complied with, and will in the future make, obtain or update any applicable registrations or approvals required by, SAFE regulations.

The failure or inability of such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries’ ability to make distributions or pay dividends to us or affect our ownership structure. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

RISK FACTORS

We may be materially adversely affected if our shareholders and beneficial owners who are PRC entities fail to comply with the relevant PRC overseas investment regulations.

On 26 December 2017, the NDRC promulgated the Administrative Measures on Overseas Investments by Enterprises (《企業境外投資管理辦法》), or NDRC Order No. 11, which took effect as of 1 March 2018. According to NDRC Order No. 11, non-sensitive overseas investment projects are subject to record-filing requirements with the local branch of the NDRC. On 6 September 2014, the Ministry of Commerce promulgated the Administrative Measures on Overseas Investments (《境外投資管理辦法》), which took effect as of 6 October 2014. According to this regulation, overseas investments of PRC enterprises that involve non-sensitive countries and regions and non-sensitive industries are subject to record-filing requirements with a local the Ministry of Commerce branch. According to the Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions (《國家外匯管理局關於發佈<境內機構境外直接投資外匯管理規定>的通知》), which was promulgated by SAFE on 13 July 2009 and took effect on 1 August 2009, PRC enterprises must register for overseas direct investment with a local SAFE branch.

We may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC entities, and we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC entities will comply with our request to complete the overseas direct investment procedures under the aforementioned regulations or other related rules in a timely manner, or at all. If they fail to complete the filings or registrations required by the overseas direct investment regulations, the relevant authorities may order them to suspend or cease the implementation of such investment and make corrections within a specified time, which may adversely affect our business, financial condition and results of operations.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a Cayman Islands holding company and we may rely principally on dividends and other distributions on equity from our PRC subsidiaries for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders for services of any debt we may incur. If any of our PRC subsidiaries incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends.

RISK FACTORS

Our PRC subsidiaries generate essentially all of their revenue in Renminbi, which is subject to certain foreign exchange regulations. As such, we may not have sufficient foreign exchange to meet our foreign exchange needs under certain exchange rates.

It is possible that more restrictions and substantial vetting process may be put forward by SAFE for cross-border transactions falling under both the current account and the capital account. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non- PRC resident enterprises are incorporated.

Relevant regulation of loans to and direct investment in PRC entities by offshore holding companies and regulatory requirements over foreign currency conversion may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans to our PRC subsidiaries in China, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiaries. We may make loans to our PRC subsidiaries subject to the approval from governmental authorities and requirements on the available loan amount, or we may make additional capital contributions to our wholly foreign-owned subsidiaries in China.

Any loans to our wholly foreign-owned subsidiaries in China, which are treated as foreign-invested enterprises under PRC law, are subject to PRC regulations and foreign exchange loan registrations. For example, loans by us to our wholly foreign-owned subsidiaries in China to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE. In addition, a foreign-invested enterprise shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of a foreign-invested enterprise shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks’ principal-secured products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business licence; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

RISK FACTORS

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans to our PRC subsidiaries or future capital contributions by us to our wholly foreign-owned subsidiaries in China. As a result, uncertainties exist as to our ability to provide prompt financial support to our PRC subsidiaries when needed. If we fail to complete such registrations or obtain such approvals, our ability to use the [REDACTED] we expect to receive from the [REDACTED] and to capitalise or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your [REDACTED].

The conversion of RMB into foreign currencies, including Hong Kong dollars and U.S. dollars, is based on rates set by the People’s Bank of China. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollars, the U.S. dollar or other currencies in the future. We cannot assure you that RMB will not appreciate or depreciate significantly in value against Hong Kong dollars and the U.S. dollar in the future.

Any significant appreciation or depreciation of RMB may materially and adversely affect our revenues, earnings and financial position, and the value of, and any dividends payable on, our Shares. For example, to the extent that we need to convert Hong Kong dollars into Renminbi for capital expenditures and working capital and other business purposes, appreciation of the Renminbi against the Hong Kong dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of the Renminbi against the Hong Kong dollar may significantly reduce the Hong Kong dollar equivalent of our earnings, which in turn could adversely affect the price of our Shares, and if we decide to convert Renminbi into Hong Kong dollars for the purpose of making payments for dividends on our Shares, strategic acquisitions or investments or other business purposes, appreciation of the Hong Kong dollar against the Renminbi would have a negative effect on the Hong Kong dollar amount available to us.

Very limited hedging options are available for us to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by relevant PRC exchange regulations, and our ability to convert RMB into foreign currency may be restricted. As a result, fluctuations in exchange rates may have a material adverse effect on your [REDACTED].

RISK FACTORS

The current tension in international trade, particularly with regard to U.S. and China trade policies, may adversely impact our business, financial condition, and results of operations.

Although cross-border business is not currently a major part of our business, if we plan to expand our business internationally in the future, any unfavourable government policies on international trade may affect the demand for our services, impact our competitive position, or prevent us from being able to conduct business in certain countries. If any new tariffs, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. Recently, there have been heightened tensions in international economic relations, such as tariff policies between the United States and China, and also as a result of the war in Ukraine and sanctions on Russia.

Although the direct impact of the current international trade tension, and any escalation of such tension, on the industries in which we operate is uncertain, the negative impact on general, economic, political and social conditions may adversely impact our business, financial condition and results of operations.

Risks Related to the [REDACTED]

There has been no prior public market for our Shares prior to the [REDACTED], and you may not be able to resell our Shares at or above the price you pay, or at all.

Prior to the completion of the [REDACTED], there has been no public market for our Shares. There can be no guarantee that an active [REDACTED] market for our Shares will develop or be sustained after 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 price at which our Shares will be [REDACTED] following completion of the [REDACTED]. The [REDACTED] of our Shares may drop below the [REDACTED] at any time after completion of the [REDACTED].

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

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

RISK FACTORS

significantly affect the [REDACTED] and volatility of our Shares, regardless of our actual operating performance. In addition, short seller reports attacking us could also negatively impact the [REDACTED] of our Shares. Public companies that have substantially all of their operations in China have been the subject of short selling, and much of the scrutiny and negative publicity has centered on allegations in areas such as financial reporting, accounting and corporate governance. If we cannot respond timely to the allegations in the short seller reports, the [REDACTED] of our Shares will continue to fluctuate significantly after such attack. Further, regardless of whether such allegations are grounded, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and substantial shareholders, could adversely affect the [REDACTED] of our Shares.

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and substantial shareholders, or the perception or anticipation of such sales, could negatively impact the [REDACTED] of our Shares in Hong Kong and our ability to raise equity capital in the future at a time and price that we deem appropriate.

[The Shares held by our substantial shareholders are subject to certain lock-up periods beginning on the date on which [REDACTED] in our 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. [REDACTED] of Shares by such shareholders and the availability of these Shares for future sale may have negative impact on the [REDACTED] of our Shares.

You will incur immediate and substantial dilution and may experience further dilution in the future.

[As the [REDACTED] of our Shares is higher than the net tangible book value per Share immediately prior to the [REDACTED]], purchasers of our Shares in the [REDACTED] will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

If securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding our Shares, the [REDACTED] for our Shares and [REDACTED] could decline.

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

RISK FACTORS

We have no experience operating as a [REDACTED] company.

We have no experience conducting our operations as a [REDACTED] company. After we become a [REDACTED] company, we may face enhanced administrative and compliance requirements, which may result in substantial costs.

In addition, since we are becoming a [REDACTED], our management team will need to develop the expertise necessary to comply with the numerous regulatory and other requirements applicable to [REDACTED] companies, including requirements relating to corporate governance, [REDACTED] standards and securities and [REDACTED] relationships issues. As a [REDACTED] company, our management will have to evaluate our internal controls system with new thresholds of materiality, and to implement necessary changes to our internal controls system. We cannot guarantee that we will be able to do so in a timely and effective manner.

We have not determined a specific use for a portion of the [REDACTED] from the [REDACTED] and we may use these [REDACTED] in ways with which you may not agree.

We have not determined a specific use for a portion of the [REDACTED] of the [REDACTED], and our management will have considerable discretion in deciding how to apply these [REDACTED]. You will not have the opportunity to assess whether the [REDACTED] are being used appropriately before you make your [REDACTED] decision. You must rely on the judgement of our management regarding the application of the [REDACTED] of the [REDACTED]. We cannot assure you that the [REDACTED] will be used in a manner that would improve our results of operations or increase the Share price, nor that these [REDACTED] will be placed only in investments that generate income or appreciate in value.

We currently do not expect to pay dividends in the foreseeable future after this [REDACTED] and you must rely on price appreciation of our Shares for return on your [REDACTED].

We currently intend to retain most, if not all, of our available funds and any future earnings after this [REDACTED] to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to certain requirements of Cayman Islands law. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, a Cayman Islands exempted company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on our future results of operations and cash flow, our capital requirements and surplus, the amount of

RISK FACTORS

distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value after this [REDACTED] or even maintain the price at which you purchased the Shares. You may not realise a return on your [REDACTED] in our Shares and you may even lose your entire [REDACTED] in our Shares.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics contained in this document.

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the automotive service industry. Certain information and statistics have been derived from various government publications, other third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, the information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practise, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. Accordingly, the information from official government sources contained herein should not be unduly relied upon. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Companies Act and common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedent in existence in the jurisdictions where minority Shareholders may be located, see “Summary of the Constitution of the Company and Cayman Islands Company Law” in Appendix III to this document.

RISK FACTORS

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or our largest Shareholder, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

Waivers have been granted from compliance with certain requirements of the Listing Rules.

Shareholders will not have the benefit of the Listing Rules that are so waived. These waivers could be revoked, exposing us and our Shareholders to additional legal and compliance obligations. We have applied for, and the Hong Kong Stock Exchange and SFC has granted to us, a number of waivers from strict compliance with the Listing Rules. See “Waivers and Exemptions.” There is no assurance that the Hong Kong Stock Exchange or SFC will not revoke any of these waivers granted or impose certain conditions on any of these waivers. If any of these waivers were to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations and incur additional compliance costs, all of which could materially and adversely affect us and our Shareholders.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

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

There will be a time gap of several business days between [REDACTED] and [REDACTED] of our Shares [REDACTED] in the [REDACTED]. Holders of our Shares are subject to the risk that [REDACTED] of our Shares could fall during the period before [REDACTED] of our Shares begins.

The [REDACTED] of our Shares is expected to be determined on the [REDACTED]. However, our Shares will not commence [REDACTED] on the Hong Kong Stock Exchange until they are delivered, which is expected to be five Hong Kong business days after the [REDACTED]. As a result, [REDACTED] may not be able to [REDACTED] our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before [REDACTED] begins as a result of unfavourable [REDACTED] conditions, or other adverse developments, that could occur between the time of sale and the time [REDACTED] begins.