You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an investment 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, results of operations, financial conditions and prospects. In any such case, the market price of our Shares could decline, and you may lose all or part of your investment.

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" in this document.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks related to our business and industry, (ii) risks related to our financial condition, (iii) risks related to doing business in the PRC, and (iv) risks related to the [**REDACTED**].

Additional risks and uncertainties that are presently not known to us or not expressed or implied below or that we currently deem immaterial could also harm our business, results of operations, financial condition and prospects. You should consider our business and prospects in light of the challenges we face, including those discussed in this section.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

If we are unable to develop, apply and upgrade technology effectively in driving value for our insurance company clients, our relationships with insurance company clients could be adversely affected, which could in turn adversely affect our business, results of operations, financial condition and prospects.

The effective application of technology is crucial to our business, because we rely on it to provide value to our insurance company clients through technology-based solutions. Failure to apply technology effectively may lead to a failure to meet their expectations, which could negatively impact our reputation and relationship with them and in turn adversely affect our business, results of operations, financial condition and prospects. Because we focus on supporting insurance companies through technology, the future growth of our business is also dependent on the continued acceptance and adoption of digital tools that are effective in assisting insurance companies to sell insurance products to their customers. If such acceptance and adoption were to stall, our business, results of operations, financial condition and prospects could be adversely affected.

In addition, as the insurance AI technology market is rapidly evolving, we must stay abreast of emerging technologies, customer preferences and product trends that will appeal to existing and potential customers. However, such technological upgrades require significant investment of time, money, and resources. We may not be able to make these investments due to budget constraints or other factors, and as a result, we may not be able to keep up with the pace of technological advancements in the applicable industries, which could lead to our competitors gaining an advantage over us in terms of efficiency, user experience, and other important factors. There is no assurance that the solutions and services that we source, design and develop or the insurance products we co-design with insurance company clients will cater to the needs of potential or existing customers, sustain for a period of time that we expect them to, or be accepted by the market at all. Even if we are able to upgrade our solutions catering to the needs of potential and existing customers, there is no assurance that we will be able to recoup the investments that we have made for such upgrade. The return on investment for technology upgrades can be uncertain, and there is always a risk that the benefits of such investments may not materialize as expected.

Therefore, our inability to upgrade our technologies or adapt to technology trends in our industry in a cost-effective way may have a negative impact on our ability to remain competitive, and therefore adversely affect our business, results of operations, financial condition and prospects.

Our business is heavily regulated and subject to evolution and developments in laws, regulations and policies.

We operate in a heavily regulated industry in China, and the regulatory landscape is constantly evolving. Many aspects of business, including the provision of technology services to insurance companies, risk assessment services, claim review services, underwriting services and insurance brokerage are subject to supervision and regulation by various governmental authorities in China. In addition, as we continue to expand the solution offerings, we may be subject to new and more complex regulatory requirements.

In addition, PRC laws and regulations administered by insurance regulatory authorities and other PRC government authorities are evolving. New laws or regulations may be promulgated, which could impose new requirements or prohibitions that render our operations or our technologies non-compliant. Further development of regulations applicable to our business may result in additional restrictions on our operations or more intensive competition in this industry. Our business model and the solutions and services offered by us may need to adapt to new requirements or standards. Compliance with any material developments in the regulatory environment may require significant investment in time and resources, which could significantly alter the competitive landscape of China's insurance AI technology market and may lead to the loss of some or all of our competitive advantages.

Furthermore, we face flexibilities and differentiation regarding how evolving laws, regulations and regulatory requirements may affect our business. Regulatory authorities have certain legal authorization in administering, interpreting and enforcing these laws, regulations and requirements, including the power to impose regulatory sanctions on industry participants. Misconduct by us in violation of any of these laws, regulations or requirements could result in fines, civil or criminal liabilities, or even disqualification from providing services to our insurance company clients. Any of these outcomes could have a material adverse effect on our business, results of operations, financial condition and prospects.

The PRC regulatory authorities, such as the National Financial Regulatory Administration ("NFRA"), may change the regulatory approach to our shareholding structure and may also conduct various reviews and inspections on our business operations, covering aspects such as financial reporting, tax reporting, internal control and compliance with applicable laws, rules and regulations. If any non-compliance incidents in our business operations are identified, we may be required to take certain rectification measures in accordance with applicable laws and regulations, or we may be subject to other regulatory actions, such as administrative penalties. Our Directors and our PRC Legal Advisor are of the view that the current ownership structure of the Group complies with the applicable laws and regulations concerning foreign investment access for both the insurance brokerage business and the insurance assessment business. See "Regulatory Overview" for details.

One of our subsidiaries, Aibang, is an insurance brokerage company and is subject to the Service Guide for Approval of Insurance Brokerage Business License (《保險經紀業務經營許可審批事項服務指南》). According to our consultation with the NFRA Shenzhen Bureau in August 2024, NFRA Shenzhen Bureau has indicated that our current shareholding structure does not violate the relevant laws and regulations of insurance brokerage business, we cannot assure you that this status will remain unchanged. In addition, one of our subsidiaries, Yadun, is an insurance assessor and is subject to the Notice of the China Banking and Insurance Regulatory Commission (the "CBIRC") on Allowing Overseas Investors to Operate Insurance Assessment Business in China (《中國銀保監會關於允許境外投資者來華經營保險公估業務的通知》). Although the overall regulatory trend is towards greater opening up of domestic insurance assessment business to foreign investment, and there are cases in practice where foreign investors hold equity in domestic insurance assessment enterprises, there are currently no clear practical guidelines or laws and regulations in place regarding qualification requirements for overseas investors in domestic PRC insurance assessment business, resulting in practical flexibilities and differentations. In September 2024, we conducted a telephone consultation with the NFRA Shanghai Bureau, which indicated that our indirect ownership of 100% Yadun's shares does not violates any relevant regulations or affect the continuous operation of Insurance Assessment Business. However, we cannot guarantee that the regulatory interpretation will not change in the future.

Future modifications in regulatory interpretations, the enactment of new rules or regulations, or developments in the enforcement of existing regulations could potentially alter our classification. Such developments could subject us to additional regulatory requirements, including but not limited to brokerage and assessment operation experience requirements, which may result in us losing our insurance broker license or insurance assessor license and materially and adversely affect our business, financial condition and results of operations.

According to the Plan on the Reform of Party and State Institutions (《黨和國家機構改革方案》) issued by the Central Committee of the Communist Party of China and the State Council on March 16, 2023, the NFRA was established to uniformly regulate the financial industry with the exception of the securities sector. The NFRA was formed on the basis of the CBIRC, and the CBIRC is no longer retained. This means that the CIRC has been dissolved, and the corresponding functions previously performed by the CIRC are now uniformly exercised by the NFRA and its local offices. Given that Aibang, Yadun and Guangzhou Tianxin are registered in Shenzhen, Shanghai, and Guangzhou respectively, our PRC Legal Advisor are of the view that the NFRA Shenzhen Bureau, the NFRA Shanghai Bureau and the NFRA Guangdong Bureau are the competent regulatory authorities for Aibang, Yadun, and Guangzhou Tianxin respectively.

On September 30, 2025, the NFRA issued the "Notice of the National Financial Supervision and Administration Commission on Strengthening the Supervision of Non-auto Insurance Business and Related Matters," which introduced further requirements for P&C insurance businesses other than motor vehicle insurance. Specifically, P&C insurance companies and insurance intermediary institutions shall not substantially alter the liability of the insurance terms that have been filed, nor shall they adjust the insurance rates through indirect means. In addition, the intermediary fees paid by P&C insurance companies for insurance sales shall not exceed the upper limit of the handling fee rate filed for relevant products. The industry-wide implementation of the "unified reporting and underwriting" policy has led insurance companies to lower their rates paid to intermediary agencies. These regulatory developments may have a material and adverse impact on our business, financial condition and results of operations.

We are subject to competition in the insurance AI technology market in which we operate, and we may not be able to compete effectively.

The insurance AI technology market in which we operate is highly competitive and is expected to remain highly competitive. We compete principally in terms of solution quality, technological innovation, customer service, the range of solution offerings and service selection and pricing.

Certain competitors may be able to allocate greater resources to the development of underwriting and claim solutions. As a result, these competitors may be in a better position to anticipate and respond to changing customer needs, take advantage of emerging technologies and develop innovative solutions and services. These competitors may utilize their large user base and cross-selling advantages that we are unable to match. In addition, there is no assurance that our competitors will not attempt to replicate or improve upon our business model, products or services. Should current or potential competitors implement similar strategies or technologies, we may experience increased competition, which could adversely affect our market share, revenue, profitability and growth prospects. Furthermore, new competitors and alliances may emerge to take market share away, and as we expand our solutions and services offerings, due to acquisition or otherwise, we face competition from new players with different competitive dynamics. We may be unable to maintain our competitive position in our market segments, especially against larger competitors. These potential competitors include not only other companies who offer similar solutions and services that we do, but also may include companies who primarily operate in related industries, such as major internet companies, insurance companies and traditional online healthcare management service providers in China. We may also need to invest further to upgrade our research and development and internal system in order to compete. Failure to successfully compete may adversely affect our business, financial position and results of operations.

We use open-source software to conduct our R&D activities, any error in such software or failure to maintain these licenses could adversely affect our business.

We use open-source software in our R&D and operational activities and expect to continue to use open-source software in the future. We have leveraged open-source large models such as Qwen2.5 and DeepSeek-V3 in developing our AI agents tailored for insurance underwriting and claim analytics. We may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of the open-source software, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open-source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions. In such an event, we may be required to seek licenses from third parties to continue commercially offering our software, to make our proprietary code generally available in source code form, to re-engineer our software or to discontinue the sale of our software if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business, results of operations, financial condition and prospects.

The use of open-source software subjects us to a number of other risks and challenges. Open-source software is subject to further development or modification by anyone. Others may develop such software to compete with us, or render such software no longer useful. It is also possible for competitors to develop their own solutions and services using open-source software, potentially reducing the demand for our solutions and services. With regard to the potential competition from open-source software developed by others, we believe our core capabilities lie in our self-developed solutions, which merely involve open-source software in certain basic service support that is not comparable to our core technologies. Therefore, we manage such competition risks primarily by focusing on our own development and technologies. If we are unable to successfully address these challenges, our business and operating results may be adversely affected, and our development costs may increase.

We have incorporated, and plan to incorporate in the future, AI capabilities into some of our operational process. AI technology and relevant laws and regulations are new and developing and may present risks that could affect our business, results of operations, financial condition and prospects.

We have incorporated, and plan to incorporate in the future, AI capabilities into our operational process. AI is a new and emerging technology that is in its early stage of commercial use, particularly within the insurance industry. If the AI technologies we use created actual or perceived negative impacts, we may experience brand or reputational harm, competitive harm or legal liability. The rapid evolution of AI may also require the application of significant resources to develop, test and maintain our solutions and services that incorporate AI in order to ensure that it is implemented in a socially responsible manner, to minimize any real or perceived unintended harmful impact.

In addition, AI is subject to a complex and evolving regulatory landscape, including data protection, privacy, and potentially other laws, and different jurisdictions have taken and may take in the future varying approaches to regulating AI. If we are unable to comply with the then applicable laws and regulations, such actual and alleged failure could subject us to significant legal, financial and operational consequences. In addition, compliance with these laws and regulations can be complex, costly and time-consuming, and there is a risk of regulatory enforcement actions or litigation if we fail to comply with these requirements. As regulations evolve, we may have to alter our business practices or solutions offerings in order to comply with regulatory requirements.

Our proprietary technologies which are essential to our daily business operations are complex and may contain undetected errors or may not operate properly, which could adversely affect our business, results of operations, financial condition and prospects.

Our proprietary technologies which are essential to our daily business operations are complex and may contain undetected errors or may not operate properly, especially when solutions are first introduced or when new versions are released, which could adversely affect our business, results of operations, financial condition and prospects. Any flaws or misuse of our technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have negative impact on our brand and reputation.

Furthermore, to remain competitive, we must continue to enhance and improve our proprietary technologies that forms part of our solutions and services. The insurance industry is rapidly changing, and if competitors introduce new solutions and services using new technologies or if new industry standards and practices emerge, our existing solutions and services may become obsolete. Our failure to respond to technological change or to adequately maintain, upgrade and develop our solutions and services could harm our business, results of operations, financial condition and prospects.

In addition, our solutions are often installed with different operating systems, system management software and equipment and networking configurations, which may cause errors or failures in our solutions or may expose undetected errors, failures or bugs in our solutions. Despite testing by us, we may not identify all errors, failures or bugs in new solutions or releases until after commencement of commercial sales or installation. Any errors or delays in releasing new solutions or new versions of solutions or allegations of unsatisfactory performance of our solutions or services could cause us to lose revenues or market share, increase our service costs, cause us to incur substantial costs in redesigning the solutions, cause us to lose significant customers, harm our reputation, subject us to liability for breach of warranty claims or damages and divert our resources from other tasks, any one of which could materially and adversely affect our business, results of operations and financial condition.

A limited number of insurance company clients contributed to a substantial portion of our revenue, and failure to maintain our business relationship with them or reduce our reliance on them could adversely affect our business, results of operations, financial condition and prospects.

We generate a significant portion of our revenue from a limited number of insurance company clients. In each period during 2023, 2024 and 2025, revenue from our five largest customers in each period amounted to RMB543.1 million, RMB745.5 million and RMB618.6 million, respectively, which accounted for 82.9%, 78.9% and 60.3% of our revenue for the corresponding period, respectively. In each period during 2023, 2024 and 2025, revenue from our largest customer in each period amounted to RMB404.7 million, RMB427.0 million and RMB443.2 million, respectively, which accounted for 61.8%, 45.2% and 43.3% of our revenue for the corresponding period, respectively. Our efforts in reducing our reliance on our five largest customers may not end up being successful. It is likely that we will continue to rely on a limited number of customers for a substantial portion of our revenue for the foreseeable future.

If our key customers do not continue to transact with us on scales or terms similar to historical levels, our business, financial condition and results of operations will be negatively affected. In particular, our key customers are sensitive to market developments and may expect constant iteration of our solutions to involve innovative features or new technologies. The loss of or reduction in any key customer's business as a result of our inability to meet the product specifications, to adopt new technologies, our exclusion from a key product development cycle or for any other reason may materially and adversely affect our results of operations.

In particular, ZhongAn Online is a key insurance company client that contributed significantly to our revenue growth in 2023, 2024 and 2025. Our partnership with ZhongAn Online spans both of our business segments, i.e. underwriting solutions and claim solutions, where we provide a variety of solutions and services. We have a robust and mutually beneficial relationship with ZhongAn Online. However, if this relationship were to deteriorate, it could have a material impact on our business.

Acquisitions could result in operating difficulties, dilution and other harmful consequences, and we may not be successful in achieving growth through acquisitions.

Our long-term business strategy includes growth through acquisitions. In October 2023, we completed the acquisition of Jiangsu Daotai and in September 2025, we completed the acquisition of Guangzhou Tianxin. See "History, Development and Corporate Structure." We believe the acquisition of Jiangsu Daotai can help expand the insurer source and supplement our customer engagement solutions. However, we cannot assure you that our future acquisitions will be completed on acceptable terms and acquired assets, data or businesses may not be successfully integrated into our operations, and we may ultimately divest unsuccessful investments. In addition, any acquisitions or investments will be accompanied by the risks commonly encountered in the acquisitions of businesses. Such risks include, among other things: (i) failing to implement or remediate controls, procedures and policies appropriate for a larger public company at acquired companies that prior to the acquisition lacked such controls, procedures and policies, (ii) paying more than fair market value for an acquired company or assets, (iii) failing to integrate the operations and personnel of the acquired businesses in an efficient, timely manner, (iv) assuming potential liabilities of an acquired company, (v) managing the potential disruption to our ongoing business, (vi) distracting management focus from our core businesses, (vii) failing to retain management at the acquired company, (viii) difficulty in acquiring suitable businesses, including challenges in predicting the value an acquisition will ultimately contribute to our business, (ix) possibility of overpaying for acquisitions, particularly those with significant intangible assets that derive value using novel tools and/or are involved in niche markets, (x) impairing relationships with employees, customers, and strategic partners, (xi) incurring expenses associated with the amortization of intangible assets particularly for intellectual property and other intangible assets, (xii) incurring expenses associated with an impairment of all or a portion of goodwill and other intangible assets due to developments in market conditions, weak economies in certain competitive markets, or the failure of certain acquisitions to realize expected benefits, (xiii) diluting the share value and voting power of existing stockholders, and (xiv) potential regulatory concerns or issues that may not be known at the time of acquisition.

The anticipated benefits of many of our acquisitions may not materialize. Future acquisitions or dispositions could result in the incurrence of debt, contingent liabilities or amortization expenses, or write-offs of goodwill and other intangible assets, any of which could harm our financial condition.

In addition, we may need to obtain additional financing, such as debt or equity funding. If we pursue this route, financing may not be available on favorable terms or at all, and issuing equity may dilute existing shareholders' interests.

In addition, to the extent we cannot identify or consummate, on terms acceptable to us, acquisitions that are complementary or otherwise attractive to our business, we may experience difficulty in achieving future growth.

Any failure to obtain or maintain requisite approvals, licenses or permits applicable to our business may have a material and adverse effect on our business, results of operations, financial condition and prospects.

Our business is subject to regulation, and we are required to obtain applicable licenses, permits and approvals from different PRC regulatory authorities in order to conduct or expand our business. We have obtained and maintained all licenses and permits material to our business as described above as required by the PRC regulatory authorities. However, we cannot assure you that we will be able to maintain existing licenses and permits or renew any of them when their current term expires. If we are unable to maintain one or more of the current licenses and permits, or obtain such renewals, our business, results of operations, financial condition and prospects could be materially and adversely impacted. Furthermore, if the relevant governmental authorities consider that we are operating without the proper approvals, licenses or permits, or the relevant governmental authorities promulgate new laws and regulations that require additional approvals or licenses or impose additional restrictions on the operation of any part of our business and we are not able to obtain such approvals, licenses or permits or adjust our business model in a timely manner, they have the power, among other things, to levy fines, confiscate our income, revoke our licenses, and require us to discontinue our relevant business. Any of these actions by the relevant governmental authorities may have a material adverse effect on our business, results of operations, financial condition and prospects.

We cannot assure you that our solutions will be effective, and if the performance does not meet our agreement with insurance company clients, insurance company clients may cease to use our solutions and services, and our results of operations and financial conditions could be adversely affected.

Our insurance company clients rely on our solutions to determine and evaluate potential risks. However, we cannot assure you that our solutions will always be effective. Our solutions are driven by complex AI agents and data analytics capabilities. The performance of our solutions depends on various factors, including but not limited to the quality and quantity of data used in analysis and the proper functioning of our large models. As such, inability to meet the performance target with insurance company clients may result in termination of the agreements, customer dissatisfactory or reputational damages. Thus, the failure of our solutions may adversely affect our business, results of operations and financial condition.

Due to our limited operating history in new and developing markets, our historical results of operations and financial performance may not be indicative of our future performance.

We were incorporated in 2018, and since that time have been developing solutions to meet the evolving demands of insurance company clients in the health insurance technology market. This limited operating history makes financial forecasting and evaluation of our business difficult. Furthermore, because we depend in part on the market's acceptance of our solutions, it is difficult to evaluate trends that may affect our business. We have limited historical financial data, and we operate in an evolving industry, and, as such, any predictions about our future revenues and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable industry. We have encountered and expect to continue to encounter risks and difficulties frequently experienced by early-stage businesses, and those risks and difficulties may be heightened in a rapidly evolving market. Some of the risks affect our ability to:

- retain customers and qualified employees;
- maintain effective control of our development as well as operating costs and expenses;
- develop and maintain internal personnel, systems, controls and procedures to comply with the extensive regulatory requirements applicable to the relevant industries;
- identify suitable business partners for collaboration;

- respond to competitive market conditions in the relevant industries; and
- respond to changes in our regulatory environment.

As a participant in the rapidly evolving insurance AI technology market, we face uncertainties and risks. We may have limited insight into trends that may develop and affect our business, and we may make errors in predicting and reacting to industry trends and evolving needs of our insurance company clients. Our historical results and growth may not be indicative of our future performance, and we may fail to continue our growth or maintain our historical growth rates. Our business, financial condition and results of operations may be affected by various factors, including but not limited to, the continued and increasing market acceptance of our business model, our abilities to customize and launch high-quality solutions and services, maintain and develop relationships with insurance company clients, enhance our brand recognition, satisfy evolving needs of insurance company clients, improve analytics capabilities, maintain reliable and scalable technology infrastructure and attract and retain talented employees. Failure to address any of these challenges could harm our business, results of operations, financial condition and prospects.

Any damage to our brand and reputation may materially and adversely affect our business.

Our brand and reputation amongst insurance company clients are critical to our success. We may face challenges in maintaining our reputation with insurance company clients. Maintaining and enhancing our brand and reputation depends on our ability to continue to provide high-quality and reliable solutions and services. Errors, defects, disruptions or other performance issues with our solutions and services may harm our brands and reputation, and we may introduce new solutions which might be poorly received by our insurance company clients. If our insurance company clients have a negative experience using our solutions, such an encounter may affect our brand and reputation amongst our insurance company clients.

In addition, we may, from time to time, receive negative publicity, including negative internet postings, ratings or comments on social media platforms or through traditional media about our business, solutions and services, directors and management. Certain of such negative publicity may be the result of malicious harassment or unfair competition acts by third parties. We may even be subject to government or regulatory investigation as a result of such third-party conduct and may be required to spend significant time and incur substantial costs to defend ourselves against such third-party conduct, and we may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. In particular, social media and other digital platforms have made it easier for negative comments and criticism to spread quickly, potentially harming our reputation. We may not be able to control what is said about us on these platforms, and a negative comment or review, regardless of the factual accuracy, could have a significant impact on our brand reputation. Any damage to our reputation could result in failure to attract new customers or even a loss of insurance company clients, market share and revenue, therefore materially and adversely affect our business, results of operations, financial condition and prospects.

Changes in the market or our solutions may affect our pricing models and adversely affect our operating results.

Our pricing models face challenges from evolving market changes. Our pricing model is primarily outcome based, reflecting the value that we deliver through our risk analytics capabilities. As the market for our solutions grows, as our competitors introduce new solutions that compete with ours or reduce their prices, we may be unable to attract new insurance company clients or retain existing insurance company clients based on our historical pricing models. Given our limited operating history and limited experience with our historical pricing models, we may not be able to accurately predict customer renewal or retention. In addition, regardless of the pricing model used, certain insurance company clients may demand higher price discounts. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position and cash flow.

Our ability to sell our solutions and services is highly dependent on the quality of our professional services and technical support services, and our failure to offer high-quality professional services or technical support services could damage our reputation and adversely affect our ability to sell our solutions and services to new insurance company clients.

If we do not effectively assist our insurance company clients in integrating our solutions and services, succeed in helping our insurance company clients quickly resolve technical issues and provide effective ongoing support, our ability to sell additional solutions and services to existing insurance company clients would be adversely affected and our reputation with potential insurance company clients could be damaged. Once our solutions are integrated with our insurance company clients' existing information technology and data, our insurance company clients may depend on our technical support services to resolve any issues relating to our solutions. High-quality support is critical for the continued successful marketing and sale of our solutions. Many insurance company clients require higher levels of support than smaller insurance company clients. If we fail to meet the requirements of our larger insurance company clients, it may be more difficult to increase our penetration rate of larger insurance company clients, which is key to the growth of our revenues and profitability.

In addition, as our customer base grows, we may be unable to provide quality support services, which could result in customer dissatisfaction, decrease overall demand for our solutions and loss of expected revenue. As a result, our failure to maintain high quality support services would have a material adverse effect on our business, results of operations, financial condition and growth prospects.

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

We may pursue strategic alliances that are supplemental to our business and operations, including opportunities that can help us further expand our product offerings and improve our technology system. 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, any of which may materially and adversely affect our business. In addition, we may have limited ability to control or monitor the actions of our strategic partners. To the extent that 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 alliances may be significant and subsequent integrations of new companies, businesses, assets and technologies would require significant managerial and financial resources and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our growth and business operations.

We rely on cloud providers, telecommunication service providers and other internet or IT service providers in providing our solutions and services, and any failure or interruption in the services provided by these third parties or their misconduct could materially disrupt our operations and expose us to disputes and liabilities, which will adversely affect our business, results of operations, financial condition and prospects; we may also lose key business assets, including loss of data center capacity or the interruption of telecommunications links, the internet, or power sources, which could significantly impede our ability to do business.

We rely on cloud providers, telecommunication service providers and other internet or IT service providers to provide our services. Any failure or interruption in the services provided by these third parties, as well as their misconduct or improper practices or material changes in their strategies or policies, could materially disrupt our operations, expose us to disputes and liabilities, and adversely affect our business, results of operations, financial condition and prospects. If these third-party providers experience system failures, interruptions, or security breaches, it could cause our platform to experience downtime, leading to a negative impact on our operations. If any of these third-party providers suffer from cyberattacks or other security breaches, our platform could be compromised, leading to the unauthorized access of personal information and other sensitive information they possess. Furthermore, if these third-party providers breach our contracts or fail to provide services at the agreed-upon levels, it could lead to disputes, damages, or liabilities, which could damage our reputation, and erode insurance company clients' confidence in us. Moreover, any misconduct or improper practices by a third-party provider, such as fraudulent activities or non-compliance with applicable laws and regulations, could lead to legal claims and regulatory fines or penalties, which would negatively affect our business, results of operations, financial condition and prospects. We may also not be able to identify and remediate any problems or issues with our third-party providers in a timely manner, and such problems may persist or recur, leading to further disruptions and negative impacts on our business, results of operations, financial condition and prospects.

Our operations depend on our ability, as well as that of third-party service providers to whom we have outsourced several critical functions, to protect data centers and related technology against damage from hardware failure, fire, power loss, telecommunications failure, impacts of terrorism, breaches in security (such as the actions of computer hackers), natural disasters, or other disasters. We cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defense procedures are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. The occurrence of unanticipated problems that affect our technological infrastructure could result in interruptions in the availability of our services. It may be difficult for us to respond to such interruptions in a timely manner, or at all. In addition, the online services that we provide are dependent on links to telecommunications providers. In addition, we generate a substantial amount of our revenues through public online channels that we utilize in customer engagement, fulfillment of solutions and services and responding to insurance company clients. We may not have sufficient contingency operations to cover a loss or failure in all of these areas in a timely manner. Any damage to the telecommunication infrastructure that we utilize, failure of our telecommunications links or inability to access these telecommunication infrastructure or websites could cause interruptions in operations that materially adversely affect our ability to meet insurance company clients' requirements, resulting in decreased revenue, operating income and earnings per share.

We cannot guarantee that our business initiatives will be successfully implemented or generate sustainable revenue or profit.

We continue to execute a number of strategies to expand our business. See "Business—Our Strategies" and "Future Plans and [**REDACTED**]." The success of our growth initiatives, strategies and operating plans depends on various factors, such as market conditions, competition, regulatory requirements, technological changes, economic conditions and customers preferences. These factors may be difficult to predict or control, and if they do not develop as we expect, our growth initiatives, strategies and operating plans may not be successful in enhancing our business as anticipated. As such, we cannot guarantee that our growth initiatives, strategies and operating plans will be implemented successfully as scheduled or at all.

If we fail to implement our growth initiatives, strategies and operating plans effectively and efficiently, we may not be able to expand our operations, manage our growth, seize market opportunities as expected or remain competitive. Furthermore, even if we implement our growth initiatives, strategies and operating plans effectively and efficiently, there may be other unexpected events or factors beyond our control that may prevent us from achieving desirable and profitable results, such as evolvements in local laws and regulations and governmental policies, the availability of skilled professionals and changes in customer demand. Moreover, the execution of these plans may require significant investments of capital, resources and management time, and we may face challenges in implementing them effectively or within the expected time frame. As a result, we may experience delays, cost overruns or other obstacles that may limit our ability to realize the full benefits of these initiatives. If we are unable to successfully execute our growth initiatives, strategies and operating plans, or if the benefits that we realize are less than our estimates, our business, results of operations, financial condition and prospects may be adversely affected.

If we are unable to retain our personnel and hire additional skilled personnel, we may be unable to achieve our goals and our business will suffer.

Our future success depends upon our ability to continue to attract, train, integrate and retain highly skilled employees, particularly our management team, sales and marketing personnel, professional services personnel and software engineers. Each of our executive officers and other key employees could terminate his or her relationship with us at any time. The loss of any personnel of our management team might significantly delay or prevent the achievement of our business or development objectives and could materially harm our business. While we plan to periodically grant additional equity awards to management personnel and other key employees to provide additional incentives to remain employed by us, employees may be more likely to leave us if a significant portion of our equity compensation is fully vested, especially if the shares underlying the equity awards have significantly appreciated in value. Our inability to attract and retain qualified personnels, or delays in hiring required personnels, may seriously harm our business, results of operations and financial condition.

We rely on the collaborations with insurance company's platforms or our insurance brokerage subsidiary to provide accurate and complete insurance product information.

Customers may rely on the accuracy and completeness of the insurance product information provided by our insurance company clients and our insurance brokerage subsidiary, Aibang Insurance Brokers Co., Ltd. While we have no reason to question the accuracy, completeness or reliability of the information provided on such platforms, we may not be able to verify such information provided and cannot assure that the information provided about insurance products will always be accurate or up to date. Inaccuracies or omissions could lead to misunderstandings about coverage, terms, or pricing, potentially resulting in financial or legal consequences for customers. If, in the future, we or our insurance company clients provide inaccurate or incomplete information due to our fault or the fault of our insurance company client, we may be subject to warnings or certain administrative sanctions from relevant regulatory authorities, which could harm our reputation or otherwise adversely affect our business, results of operations, financial condition and prospects.

Weakened economic conditions may affect the insurance industry in China, including the rate of information technology spending, which could cause our insurance company client to defer or forego purchases of our solutions or services.

Our business depends on the overall demand for information technology from, and on the economic health of, our current and prospective insurance company clients. In addition, the purchase of our solutions and services is discretionary and involves significant commitment of capital and other resources. Global economies currently face a number of economic challenges, including threatened sovereign defaults, credit downgrades, restricted credit for businesses and customers and potentially falling demand for a variety of solutions and services. Recently, the financial markets have encountered some challenges and many companies are either cutting back expenditures or delaying plans to add additional personnel or systems. Our insurance company clients may suffer from reduced operating budgets, which could cause them to defer or forego purchases of our solutions or services. Continued challenging economic conditions, or a reduction in information technology spending even if economic conditions improve, could adversely affect our business, results of operations and financial condition in a number of ways, including longer sales cycles, lower prices for our solutions and services, material default rates among our insurance company clients, reduced sales of our solutions and services and lower or no growth.

We are subject to complex and evolving laws, regulations and governmental policies regarding data security, privacy and personal information. Actual or alleged failure to comply with privacy and data protection laws, regulations and governmental policies could damage our reputation, deter current and potential insurance company clients from using our services and could subject us to significant legal, financial and operational consequences.

In recent years, cybersecurity, data protection and personal information protection have become an increasing regulatory focus of government authorities across the world. The PRC government has enacted a series of laws, regulations and governmental policies for the protection of cybersecurity, data protection and personal information protection in the past few years. For instance, on November 7, 2016, the Standing Committee of the National People's Congress promulgated the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》), effective since June 1, 2017, created the first national-level data protection framework for "network operators," which may potentially include all organizations in China that provide services over the internet or through other types of information network. On June 10, 2021, the Standing Committee of the National People's Congress promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》), effective since September 1, 2021. The Data Security Law sets out a number of obligations on data security and privacy undertaken by entities and individuals engaged in data-related activities. On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025 and further provides rules on network data security. On November 1, 2021, the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) took effect. Pursuant to the Personal Information Protection Law, in case of any personal information processing, such individual's prior consent are required to be obtained, unless other legal bases are satisfied. See "Regulatory Overview—Regulations on Cybersecurity" and "Regulatory Overview—Regulations on Privacy and Protection."

The above regulatory developments relevant to cybersecurity, data protection and personal information protection could generally impact the data collection, use, storage and other data processing activities conducted by the enterprises in technology industry, including us. We have adopted various measures to ensure legal compliance. See "Business—Data Privacy and Security." However, the laws and regulations regarding cybersecurity, data protection and personal information protection in China are generally complex and evolving, which may lead to difference about the scope of our responsibility in this regard. As such, we cannot assure you that our cybersecurity, data protection and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the effectiveness of our protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyber attacks. If we are unable to comply with the then-applicable laws and regulations, or to address any cybersecurity, data protection and personal information protection concerns, such actual or alleged failure could damage our reputation, deter current and potential users from using our services and could subject us to significant legal, financial and operational consequences.

In addition, on December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》, the "CAC Measures"), effective on February 15, 2022, which provides that entities meeting certain standards shall be subject to a cybersecurity review. See "Regulatory Overview—Regulations on Cybersecurity." Since the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, therefore, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations.

Further, the Measures on Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), promulgated on July 7, 2022 and effective since September 1, 2022, the Provisions on Promoting and Regulating Cross-border Data Flows (《促進和規範數據跨境流動規定》), promulgated and effective on March 22, 2024, have provided that the transfer of personal information and important data by data handler meeting certain volume thresholds or other standards as provided therein shall apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. As our business continues to grow, there may be circumstances where we engage in such cross-border data transfers. In such case, in order to satisfy the legal and regulatory requirements, we may need to comply with the foregoing requirements as well as any other limitations under PRC laws then applicable. Complying with these laws and requirements could cause us to incur substantial expenses or require us to alter or change our practices in ways that could harm our business.

We expect that there will continue to be new proposed laws and regulations concerning cybersecurity, data protection and personal information protection, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if the applicable legislation or regulations are interpreted or implemented in ways that negatively impact our business, results of operations, financial conditions and prospects. Any inability to adequately address cybersecurity, data protection or personal information protection concerns, or to comply with applicable laws, regulations, standards and other obligations relating to cybersecurity, data protection or personal information protection could require significant resources and efforts, which have a material effect on our business, results of operations, financial conditions and prospects.

In addition, our solutions and services are used by our insurance company clients to manage and store proprietary information and sensitive or confidential data relating to their businesses. Our security measures may not detect or prevent hacker interceptions, break-ins, security breaches, the introduction of viruses or malicious code, and other disruptions that may jeopardize the security of information stored in and transmitted by our solutions. A party that is able to circumvent our security measures in our solutions could misappropriate our or our insurance company clients' proprietary or confidential information, cause interruption in our operations, damage or misuse our computer systems, and misuse any information that they misappropriate.

Failure to propose appropriate pricing and other product features of customized insurance products to insurance company clients could affect our ability to co-develop customized insurance products, and consequently our collaboration with insurance company clients and pharmaceutical companies in the future.

We co-develop insurance products and co-design policies with insurance company clients and pharmaceutical companies and propose appropriate pricing of these customized insurance products to customers according to risk assessment results. Any error or inaccuracy of these statistics could lead to pricing error and subsequent significant financial losses to insurance company clients, which will impact their confidence in and business relationship with us. Failure to accurately propose appropriate pricing for customized insurance products could lead to losses for insurance company clients and damage their trust in and relationship with us.

In addition, some of our insurance company clients are large insurance company clients with significant bargaining power in negotiations with us. These insurance company clients have and may continue to seek advantageous pricing and other commercial terms and may require us to develop additional features in the solutions and services we sell to them. We have and may continue to be required to reduce the fee rate, or increase the average cost, of our solutions and services in response to these pressures. If we are unable to offset any reductions in our fee rate or increases in our average costs with increased sales volumes and reduced costs, our results of operations could be harmed.

We cooperate with external data providers for data access and analysis. If we are unable to maintain or develop such relationships and control the associated costs, or experience inaccuracies or interruptions in the data, products or services they provide, our business, results of operations, financial condition and prospects could be adversely affected.

Our business relies on the ability to collate and analyze large amounts of data, and we cooperate with external data providers for data collection and analysis. We use the information and services that they provide to help insurance company clients to expand their business and enhance their business development, insurance products, risk analytics and customer services. If we are unable to maintain or develop our relationship with these external data providers, or if we experience interruptions in the information or services that they provide, our business, results of operations, financial condition and prospects could be adversely affected. This could result in a delay in our ability to develop new solutions or services, impact our ability to continue providing our existing solutions and services, or result in increased expenses associated with cooperation with external data providers.

In addition, our relationship with these external data providers is subject to risks beyond our control. These risks include, but are not limited to, data breaches or other security incidents, developments in privacy regulations or data access laws, and changes in business or competitive strategies of these external third-party providers. These risks could negatively impact our ability to continue our data-driven operations or our ability to provide our solutions and services or subject us to potential liabilities which could adversely affect our business, results of operations, financial condition and prospects.

We may be obligated to disclose our proprietary source code to our insurance company clients, which may limit our ability to protect our intellectual property and could reduce the renewals of our support and maintenance services.

We usually utilize our proprietary systems to support our insurance company clients' businesses. The intellectual property rights related to the source code between our insurance company clients and us typically fall into two categories: (i) customized development: when we develop an application system specifically tailored for a insurance company client, the intellectual property rights for that customized system belong to the insurance company client; and (ii) standardized product and secondary development: the insurance company client has a non-exclusive right to use our standardized system, and the insurance company client enjoys all intellectual property rights or a non-exclusive right to use the customized secondary development of our system according to their requirements.

Disclosing the content of our source code may limit the intellectual property protection we can obtain or maintain for that source code or the solutions containing that source code and may facilitate intellectual property infringement claims against us. It also could permit a insurance company client to which a solution's source code is disclosed to support and maintain that software solution without being required to purchase our support or maintenance services. Each of these could harm our business, results of operations and financial condition.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate any trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may from time to time in the future 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 platform, solutions, services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in China or other jurisdictions. 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 our merits. If we are determined to have infringed upon a third-party's intellectual property or other proprietary rights, we may be required but not limited to cease selling solutions or using services that incorporate the third-party's intellectual property or proprietary information, pay for substantial damages, obtain a license from the holder of the infringed intellectual property, which license may not be available on reasonable terms, or at all, or redesign our technology.

If we were found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. As a result, our business, results of operations, financial condition and prospects may be materially and adversely affected.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our competitive position, and adversely affect our business, results of operations, financial condition and prospects.

Preventing any unauthorized use of our intellectual property and proprietary information is difficult and costly and the steps we generally take may be inadequate to prevent the infringement, misappropriation or other violation of our intellectual property and proprietary rights. Litigation may be necessary to enforce our intellectual property and proprietary rights, determine the validity and scope of our rights or those of another party, or defend against claims of infringement, misappropriation, violation or invalidity. Such litigation could be costly, time-consuming and distracting to management, result in a diversion of significant resources, the narrowing or invalidation of portions of our intellectual property, all of which would have an adverse effect on our business, results of operations, financial condition and prospects. Our efforts to enforce our intellectual property rights may be undermined by defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringed, misappropriated or otherwise violated the counterclaimant's own intellectual property rights. Any of our patents, copyrights, trademarks or other intellectual property rights could be challenged by others or invalidated through administrative process or litigation. We can provide no assurance that we will prevail in such litigation.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our intellectual property and proprietary rights is difficult and costly, and we cannot be certain that the steps that we have taken will prevent misappropriation. From time to time, we may have to resort to litigation to enforce our intellectual property and proprietary rights, which could result in substantial costs and diversion of our resources.

Our business is susceptible to misconduct, improper business practices and other fraudulent conduct by our employees, business partners and insurance company clients.

Our business involves interactions between our employees, business partners and insurance company clients. Misconduct and improper business practices by our employees, business partners and insurance company clients could subject us to liability or negative publicity. While we have adopted codes of conduct for our employees, entered into agreements and implemented detailed policies with insurance company clients and partners and procedures to prohibit misconduct, improper business practices and other fraudulent conduct in performing their duties, we cannot assure you that our employees, business partners and insurance company clients will always comply with these codes, agreements, policies and procedures nor that the precautions we take to detect and prevent misconducts will always be effective.

If any of our employees engage in any misconduct, illegal or suspicious activities, including but not limited to, selling sensitive personal data, assisting fraudulent insurance underwriting or claim settlement, we could be subject to legal claims and liabilities, and our reputation and business, results of operations, financial condition and prospects could be adversely affected. Moreover, we may be held responsible for the actions of our employees, even if such actions are outside the scope of their duties or contrary to our policies and procedures. This could result in regulatory or legal action against us, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

In addition, we have direct or indirect interactions with officials and employees of government agencies and state-owned affiliated entities in the ordinary course of business. Any illegal, fraudulent, corrupt or collusive activity by our employees, suppliers, customers or other third parties, including, but not limited to, those in violation of anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, could also subject us to negative publicity that could severely damage our brand and reputation and subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Furthermore, if we cannot effectively monitor and prevent fraudulent behavior of customers, it may cause increased insurance claims or losses, which will impact the profitability of our insurance company clients. This, in turn, could lead to an investigation by insurance company clients that damages our relationship with them, decreased demand for our services and a reduction in our market share, which could materially and adversely affect our business, results of operations, financial condition and prospects.

We may be exposed to potential penalties in relation to PRC labor-related laws.

We are required by PRC laws and regulations to pay various statutory employee benefits including social insurance and housing provident funds, to designated government agencies for the benefit of our employees. The requirement and implementation of employee benefit plans may vary considering the different levels of economic development in different locations in the PRC, and the relevant government authorities may examine whether an employer has made adequate payments of the requisite employee benefit payments. Employers who fail to make adequate payments as required may be subject to late payment fees, fines and/or other penalties. On September 30, 2025, Guangzhou Tianxin was acquired by Guangzhou Baoliandeng Network Technology Co., Ltd. (廣州寶蓮燈網絡科技有限公司) ("Baoliandeng"), which, on the same day, was itself acquired by Nova Wuxi. During the Track Record Period, Guangzhou Tianxin and Baoliandeng had not made social insurance and housing provident fund contributions for some of our employees in full based on their actual salary levels, which occurred primarily before the acquisition. We have made provision of RMB8.3 million for such instances as of December 31, 2025. We plan to gradually make social insurance and housing provident fund contributions to the affected employees in full based on their actual salary levels to the extent feasible. See "Business—Employees."

During the Track Record Period, we engaged third-party human resources agencies to pay social insurance and housing provident funds for three of our employees, which may not be viewed as contributions made by us. We have carried out rectification and as of the Latest Practicable Date, we do not engage any third-party human resources agencies to pay social insurance and housing provident funds on behalf of our employees. We have obtained credit report from the relevant PRC authorities attesting that none of our PRC operating entities showed any evidence of illegal or unethical behavior in the area of labor and social security. However, if the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines and legal sanctions in relation to our practice of engaging third-party agencies to make payments, our business, results of operations, financial condition and prospects may be adversely affected.

The lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

Under the PRC law, all lease agreements are required to be registered with the local land and real estate administration bureau. However, the enforcement of this legal requirement varies depending on the local regulations and practices. The lessees may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As at the Latest Practicable Date, the lease agreements for 37 of our leased properties in the PRC which had been used as offices have not been registered with the relevant PRC government authorities. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors.

We, our directors, management, employees and shareholders and their affiliates may be subject to litigation, investigation and other proceedings, or our shareholders may have conflicting position, from time to time, which could have a material and adverse impact on our reputation, and adversely affect our business, results of operations, financial condition and prospects.

From time to time, we have been, and may in the future be, subject to lawsuits brought against us, in matters relating to intellectual property rights, contractual disputes, employment-related controversies and other legal and administrative proceedings or fines relating to our business operations inside and outside China. Lawsuits against us may also generate negative publicity that significantly harms our reputation, which may adversely affect our ability to expand our business. In addition to the related cost, managing and defending litigation can significantly divert management's attention from operating our business. We may also need to pay damages or settle lawsuits with a substantial amount of cash. If any of these happens, our liquidity and business, results of operations, financial condition and prospects could be materially and adversely affected. In addition, our directors, management, employees and shareholders and their affiliates may from time to time be subject to litigation, regulatory investigations, proceedings and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation. We cannot assure you that our shareholders' position will be aligned at all times. Any of these circumstances may adversely affect our business, results of operations, financial condition and prospects.

U.S. outbound investment regulations and other foreign laws and regulations could have a negative impact on our future ability to access to capital.

On October 28, 2024, the U.S. Treasury issued a final rule to implement the Executive Order 14105 of August 9, 2023 (the "Outbound Investment Rule"), which became effective on January 2, 2025. The Outbound Investment Rule imposes investment prohibition and notification requirements on U.S. persons for a wide range of investments in entities associated with China (including Hong Kong and Macau) that are engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, and (iii) artificial intelligence systems, collectively defined as "Covered Foreign Persons." U.S. persons subject to the Outbound Investment Rule are prohibited from making, or required to report, certain investments in Covered Foreign Persons, which are defined as "Covered Transactions," and include certain acquisitions of an equity interest or contingent equity interest, certain debt financing, joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The Outbound Investment Rule contains exceptions for certain investments, including those in publicly traded securities, except when the U.S. person investor secures rights that go beyond standard minority shareholder protections. We believe that we are not engaged in any of the "covered activities" under the Outbound Investment Rule. However, there is no assurance that the Treasury will take the same view as ours, which could implicate the prohibitions or notification requirements under the Outbound Investment Rule for U.S. persons. In addition, there are uncertainties regarding the application and interpretation of the Outbound Investment Rule. If we were to become subject to the Outbound Investment Rule, the acquisition of our equity interests by U.S. persons may be deemed a "covered transaction" as defined in the Outbound Investment Rule, and such "covered transaction" may be deemed either a "notifiable transaction" or a "prohibited transaction." In the case of a notifiable transaction, U.S. persons would be required to notify the U.S. Department of the Treasury of such acquisition. In the case of a prohibited transaction, U.S. persons would be prohibited from engaging in such acquisition. U.S. persons' acquisitions of certain publicly traded securities may be exempted from the prohibition and the notification requirement under the Outbound Investment Rule. Investors should consult their legal counsel regarding the applicability of the Outbound Investment Rule to this [**REDACTED**].

Adverse changes to foreign laws or regulations could also limit our access to capital. The U.S. government may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers, including us. For example, on February 21, 2025, U.S. President issued a memo entitled the "America First Investment Policy" (the "America First Memo"), indicating that Executive Order 14105 is under review and the current administration will consider new or expanded restrictions, such as broadening the sectors to which the Outbound Investment Rule is applicable. Future changes in the Outbound Investment Rule, the America First Memo and any related policies, laws and regulations or their interpretations, or any similar or more expansive restrictions imposed by the U.S. or other jurisdictions, may result in additional costs on our business, limit our ability to raise capital or contingent equity capital from U.S. investors and other sources that may otherwise be beneficial to us, or restrict the ability of U.S. persons to purchase or hold our securities, which could adversely affect our performance, financial condition, prospects, and the value of our Shares.

The interoperability of our technologies with the system of our insurance company clients could introduce additional costs and risks. The unsuccessful execution of such operations could adversely affect our business, results of operations, financial condition, and prospects.

As part of our growth strategy, we may offer our proprietary technologies and knowhow. However, there are inherent risks associated with this aspect of our operations.

Our technologies may not be fully compatible with our collaborating insurance company clients' platforms. Despite our best efforts to ensure interoperability, differences in infrastructure, software systems, or business processes could lead to compatibility issues. This could affect the functionality of our technologies and potentially disrupt the operations of our insurance company clients. In addition, while we strive to maintain the stability of our technologies, we may be subject to unforeseen technical glitches or failures. Such incidents could negatively affect the performance of our technologies, leading to service interruptions or degradation in user experience. This could harm our reputation, strain our relationships with our insurance company clients, and potentially lead to financial losses. Furthermore, we face regulatory environments that vary across different countries and regions, and non-compliance with local laws and regulations could result in penalties or restrictions on our operations. Data privacy and security are important in our industry, and any breaches by us or our collaborating insurance company clients could lead to reputational damage and legal liabilities. Moreover, while we take measures to protect our intellectual property rights, there is always a risk of unauthorized use or infringement of our technologies. While we continually invest in software development to enhance the compatibility and stability of our technologies and to mitigate these additional risks, we cannot guarantee that we will be able to completely eliminate these risks which could adversely affect our business, results of operations, financial condition, and prospects.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our clients which would affect our business, results of operations, financial condition and prospects.

We face various risks in connection with our business. Our insurance may not be adequate to fully compensate for all kinds of losses we may suffer in the future. For example, we do not maintain any business interruption insurance or product liability insurance. 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 policies on a timely basis, or at all. In addition, our insurers will review our policies every year and we cannot guarantee that our policies can be renewed on similar or other acceptable terms or at all. Furthermore, if we suffer unexpected severe losses or losses that far exceed the policy limits, it could materially and adversely affect our business, results of operations, financial condition and prospects.

Our risk management and internal control systems may not be adequate or effective.

We have designed and implemented risk management and internal control systems comprising organizational framework policies and procedures, financial reporting processes, compliance rules, and risk management measures we believe are appropriate for our business operations. While we seek to improve our risk management and internal control systems on a continuous basis, we cannot assure you that these systems are sufficiently effective in ensuring the prevention of fraud. See "Business—Internal Control and Risk Management." Since our risk management and internal control systems depend on implementation by our employees, we cannot assure you that our employees or other related third parties are sufficiently or fully trained to implement these systems, or that their implementation will be free from human error or mistakes. If we fail to timely update, implement, and modify, or fail to deploy sufficient human resources to maintain our risk management policies and procedures, our business, results of operations, financial condition and prospects could be materially and adversely affected.

RISKS RELATING TO OUR FINANCIAL CONDITION

We had net loss, net liabilities and net current liabilities during the Track Record Period, which may continue in the future.

We had net loss, net liabilities and net current liabilities during the Track Record Period, and we may not be able to maintain profitability, net assets or positive cash flow in the future. We had net losses of RMB239.9 million, RMB155.2 million and RMB269.8 million in 2023, 2024 and 2025, respectively. As of December 31, 2023, 2024 and 2025, we recorded net current liabilities of RMB779.5 million, RMB957.2 million and RMB1,175.3 million, respectively, and net liabilities of RMB704.0 million, RMB882.1 million and RMB1,108.6 million. We expect our operating expenses to increase in the future as we expand our operations. Furthermore, after the [**REDACTED**], we may incur additional compliance, accounting, and other expenses that we did not incur as a private company. If our revenue does not grow at a greater rate than our expenses, we may not be able to maintain profitability. If we record net loss, net current liabilities and net liabilities, we may have to obtain additional funds through financing activities such as issuance of debt or equity securities, which may not be available at favorable terms, or at all.

We may require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances. If we are unable to generate sufficient cash flows or if capital is not available, our business, results of operations, financial condition and prospects could be adversely affected.

We may require additional cash resources to support our business operation due to changed business conditions, strategic acquisitions or other future developments. Our ability to obtain additional capital depends on factors, including, but not limited to:

(i) our market position and competitiveness in the China health insurance digital solutions industry;

(ii) our overall financial condition, results of operations and future profitability;

(iii) general market conditions for financing activities in China; and

(iv) general economic and administrative conditions in China and internationally.

If our capital need is materially different from those currently planned, we may initiate financing activities for additional capital sooner than anticipated. Such financing may not be available on favorable terms on a timely basis, or at all. If we cannot obtain adequate capital on terms favorable to us, or at all, we may not be able to continue our operations, R&D and sales and marketing efforts, take advantage of future opportunities or respond to competitive pressures. Under these circumstances, our business, financial condition, results of operations and prospects may be adversely affected.

Our financial results may vary significantly from period to period.

Our operating results may vary significantly and are not necessarily an indication of future performance. These fluctuations may be a result of a variety of factors. In addition, we generally experience less order volume during national holidays in China, particularly during the Chinese New Year holiday season in the first half of each year. Our growth has made, and may in the future make, seasonal fluctuations difficult to detect. We expect these seasonal trends to become more pronounced over time as our growth moderates. In addition, our operating results may fluctuate as a result of other factors, many of which are out of our control, including shifts and fluctuations in the general market demand for the product and services of our insurance company clients, changes in the needs of our insurance company clients, our ability to effectively manage our growth, harm to our brand or reputation, developments in the regulatory environments, and other risks described elsewhere in this document. There can be no assurance that our historic operating patterns will continue in future periods, because we cannot influence or forecast many of these factors.

We are subject to credit risks in collecting trade receivables and recoverability of contract assets.

We typically grant our customers a credit period of one month, extending up to three months for major customers. However, there is no guarantee that our all our customers pay us on time. As of December 31, 2023 and 2024 and 2025, we had trade receivables of RMB119.2 million, RMB178.0 million, and RMB225.0 million, respectively. In addition, as of the same dates, we had contract assets of RMB66.4 million, RMB46.7 million, and RMB27.9 million, respectively. There is no assurance that all such amounts due to us will be settled on time or at all. Accordingly, we face credit risk in collecting trade receivables and contract assets. As of December 31, 2023, 2024 and 2025, our loss allowance for impairment of trade receivables were RMB0.5 million, RMB0.4 million and RMB5.8 million, respectively and our impairment of contract assets were RMB0.4

million, RMB32,000 and RMB34,000, respectively. Our performance, liquidity and profitability will be adversely affected if significant amounts due to us are not settled on time. The bankruptcy or deterioration in the credit condition of any of our major customers could also materially and adversely affect our business.

We may experience discontinuation, reduction or delay of any preferential tax treatments or government grants.

We and certain of our PRC subsidiaries enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. Our PRC subsidiaries recognized as high and new technology enterprises are subject to a reduced EIT rate of 15%. Our PRC subsidiaries that were qualified as a Double Soft Enterprise were exempted from CIT for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year. During the Track Record Period, our effective corporate income tax rates were close to zero. Such preferential tax treatments are subject to transformation and termination. If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is successfully challenged by the PRC tax authorities, the discontinuation of any of the various types of preferential tax treatment we enjoy could materially and adversely affect our results of operations.

We also receive grants from local governments, which are vary from year to year. In 2023, 2024 and 2025, we recorded government grants amounting RMB0.9 million, RMB3.3 million and RMB2.6 million, respectively. Local governments may decide to adjust such grants in the future. We cannot assure you of the continued availability of the government grants currently enjoyed by some of our PRC subsidiaries. Any reduction, cancelation, or repayment of government grants could adversely affect our business, financial condition and results of operations.

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

We adopted share incentive plans including share-based payments for the benefit of our Directors and employees to incentivize and reward the eligible persons who have contributed to our success. In 2023, 2024 and 2025, we incurred share-based payment expenses of RMB1.7 million, RMB2.4 million, and RMB14.0 million, respectively. We believe that the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to employees 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. We may re-evaluate the vesting schedules, lockup period, exercise price or other key terms applicable to the grants under our currently effective share incentive plans from time to time. If we choose to do so, we may experience substantial change in our share-based compensation expenses in the reporting periods following this [**REDACTED**].

Our results of operations, financial conditions and prospects have been adversely affected by fair value changes of convertible redeemable preferred shares and convertible instruments. The valuation of our convertible redeemable preferred shares and convertible instruments is uncertain due to the use of unobservable inputs.

During the Track Record Period, we had outstanding convertible redeemable preferred shares and convertible instruments, which were designated as financial liabilities at fair value through profits or losses ("FVTPL"). The convertible redeemable preferred shares and convertible instruments issued by us are not traded in an active market and the respective fair value is determined by using valuation techniques. The discounted cash flow method was used to determine the total equity value of our Company and the equity allocation model was adopted to determine the fair value of the financial instruments. See note 2.3 in Section II to the Accountant's Report included in Appendix I to this document. These valuation methodologies that we use involve a significant degree of management judgment and are inherently uncertain. Changes in these unobservable inputs and other estimates and judgments could materially affect the fair value of our convertible redeemable preferred shares and convertible instruments, which in turn may adversely affect our results of operations. We recorded losses on changes in fair value of financial liabilities of RMB256.7 million, RMB205.5 million and RMB303.6 million in 2023, 2024 and 2025, respectively. We expect continued fluctuation of the fair value of our convertible redeemable preferred shares and convertible instruments after December 31, 2025 till the completion of the [**REDACTED**], upon which all the preferred shares will automatically convert into our Shares. After the automatic conversion of the preferred shares into Shares upon the completion of the [**REDACTED**], we do not expect to recognize any further loss or gain on fair value changes from the preferred shares in the future.

RISKS RELATING TO DOING BUSINESS IN THE PRC

Failure to fully adapt to development in the economic and social conditions, as well as government policies, laws and regulations, and industry practice guidelines in China could materially and adversely affect our business, financial condition, results of operations and prospects.

All of our business assets are located in China and all of our sales and revenue is currently derived from China. Accordingly, our business, financial condition, results of operations and prospects are subject to the economic, administrative and legal conditions in China. Administrative and economic policies of the PRC government could affect our business and financial condition. Failure to fully adapt to these developments in administrative and economic policies may adversely affect our growth. In recent years, the PRC government implemented a series of laws, regulations and policies with respect to, among other things, compliance operation, and supervision and administration of companies in our industry. See "Regulatory Overview". Laws, regulations and policies related to our industry will continue to evolve and undergo adjustments, compliance to which may incur additional costs for us. If we cannot fully comply with these laws, regulations and policies, our business, financial condition, results of operations and prospects may be adversely affected.

Regulations on currency exchange may limit our foreign exchange transactions, including our ability to pay dividends and other obligations, and may affect the value of your investment.

The conversion of Renminbi is subject to applicable laws and regulations in China. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE. We are required to present documentary evidence of such transactions and conduct such transactions at banks that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, normally need to be approved by or be registered by the SAFE or its designated banks.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, any development in these foreign exchange policies or any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, financial conditions and results of operations, may be affected.

Direct or indirect transfers of equity interests in our PRC resident enterprises through transfers made by our Shareholders or our non-PRC holding companies may be subject to Chinese tax reporting obligations or tax liabilities.

On February 3, 2015, the STA promulgated the Public Announcement on Several Issues Concerning Enterprise Income Tax for 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》) ("Circular 7"), which provides comprehensive guidelines relating to, and has also heightened the Chinese tax authorities' scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a Chinese resident enterprise (the "Chinese Taxable Assets"). For example, Circular 7 states that where a non-resident enterprise transfers Chinese Taxable Assets indirectly, by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, and such transfer is deemed to be, for the purpose of avoiding EIT payment obligations, and without any other bona fide commercial purpose, the transfer may be reclassified by the Chinese tax authorities as a direct transfer of Chinese Taxable Assets. Circular 7 also introduced safe harbors for internal group restructurings and the purchase and sale of equity interests through a public securities market. On October 17, 2017, the STA promulgated the Announcement on Matters Concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) ("STA Circular 37"), which came into force on December 1, 2017. STA Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises.

The Chinese tax authorities may deem any transfer of our Shares by those of our Shareholders that are non-resident enterprises, or any future acquisitions by us outside of China involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to Chinese tax reporting obligations or tax liabilities. In addition, if our Shareholders are deemed as a PRC resident enterprise or PRC resident individual, any transfers of equity interests in us related to such Shareholders may trigger tax obligations or liabilities of us or such Shareholders. We cannot assure you that all such Shareholders have fulfilled, or will strictly fulfill their tax obligations or liabilities in a timely manner. If we fail to comply with Circular 7, STA Circular 37 and other laws and regulations, the Chinese tax authorities may take action, including requesting us to provide assistance in their investigation, or may impose a penalty on us, which could have a negative impact on our business operations.

You may experience difficulties in effecting service of legal process and enforcing judgments against us, our most Directors and senior management.

A majority of our assets and subsidiaries are located in China. The majority of our Directors and senior management reside within China. The assets of these Directors and senior management also may be located within China. As a result, it may be complex for investors to effect service of process upon or to enforce judgments outside of mainland China against us and most of our Directors and senior management outside China. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in mainland China only if the jurisdiction has a treaty with mainland China or if the jurisdiction has been otherwise deemed by the courts of mainland China to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, mainland China is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in mainland China of judgments of a court in these jurisdictions may consequently be difficult or impossible. On July 3, 2008, the Supreme People's Court promulgated the Arrangement between the Mainland and the HKSAR on Reciprocal Recognition and Enforcement of the Decisions of Civil and Commercial Cases under Consensual Jurisdiction (關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排) (the "2008 Arrangement"). Under the 2008 Arrangement, where any designated court of mainland China or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, the party concerned may apply to the relevant court of mainland China or Hong Kong court for recognition and enforcement of the judgment. The 2008 Arrangement took effect on August 1, 2008. On January 25, 2024, the Supreme People's Court promulgated the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2024 Arrangement"), which became effective on January 29, 2024. The 2008 Arrangement was abolished on the effective date of the 2024 Arrangement. The 2024 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in mainland China and those in Hong Kong. However, the 2008 Arrangement will remain applicable to a "choice of court agreement in writing" within the meaning of 2008 Arrangement which is made before the effective date of 2024 Arrangement.

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 may have a material and adverse effect on our ability to conduct our business.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or to service any debt we may incur. If our PRC subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their 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 laws, regulations and accounting standards. In addition, a wholly foreign-owned enterprise is required to set aside 10% of its accumulated after-tax profits, if any, to fund a certain statutory reserve fund, until the aggregate amount of such funds reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund, or a staff welfare and bonus fund.

The People's Bank of China and the SAFE promulgated a series of measures, including strict vetting procedures for domestic companies to remit foreign currency for overseas investments, dividends payments and shareholder loan repayments. More restrictions and substantial vetting process may be put forward by the 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 adversely limit our ability to effectively expand, make investments or acquisitions that could be beneficial to our business, pay dividends to our investors, perform other obligations to our suppliers, or otherwise fund and conduct our business.

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

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the proceeds from such future financing activities into the PRC or take other actions to restrict our financing activities, which could have a material and adverse effect on our financial conditions and business prospects.

Any developments in 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 (《關於境內個人參與境外上市公司股權激勵計劃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 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, 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 options of Shares will be subject to these regulations when we become a listed company upon the completion of the [**REDACTED**]. Failure to complete SAFE registrations may subject them to fines and legal sanctions. In light of the above, we cannot assure you that the shares incentive plans we implement in the future will comply with relevant arrangement under PRC law. In addition, the STA 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. We 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.

RISKS RELATED TO THE [REDACTED]

There has been no prior public market for our Shares, an active trading market for our Shares may not develop following the [REDACTED] and the liquidity and market price of our Shares may be volatile.

Prior to the [**REDACTED**], there was no public market for our Shares. We cannot assure you that a public market for our Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the [**REDACTED**]. The [**REDACTED**] range for our Shares was the result of negotiations between us, the [**REDACTED**] on behalf of the [**REDACTED**], and the [**REDACTED**] may differ significantly from the market price for our Shares following the [**REDACTED**]. If an active public market for our Shares does not develop following the completion of the [**REDACTED**], the market price and liquidity of our Shares could be materially and adversely affected. The price and trading volume of our Shares may be highly volatile. Several factors, some of which are beyond our control, such as variations in our prospects, changes in our pricing policy, the emergence of new technologies, strategic alliances or acquisitions, the addition or departure of key personnel, changes in profit forecast or recommendations by financial analysts, changes in ratings by credit rating agencies, litigation or the removal of the restrictions on share transactions, could cause large and sudden changes to the volume and price at which our Shares will trade. In addition, the Stock Exchange and other securities markets have, from time to time, experienced significant price and volume volatility that is not related to the operating performance of any particular company.

The liquidity, trading volume and market price of our Shares following the [REDACTED] may be volatile, which could result in substantial losses to investors.

The price and trading volume of our Shares may be subject to significant volatility in response to various factors beyond our control, including the administrative developments in Hong Kong and the general market conditions of the securities in Hong Kong and elsewhere in the world. In particular, the business and performance and the market price of the shares of other companies engaging in similar business may affect the price and trading volume of our Shares. In addition to market and industry factors, the price and trading volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers and customers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our Shares may be subject to changes in price not directly related to our performance but related to the overall administrative and economic conditions in Hong Kong, China or elsewhere in the world.

You will incur immediate and significant dilution if the [REDACTED] of our Shares is substantially higher than the net tangible book value per Share, and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the Shares is higher than the net tangible book value per Share immediately prior to the [**REDACTED**]. Therefore, purchases of the Shares in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible book value, and our existing Shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible assets value per Share of their Shares. In addition, holders of our Shares may experience further dilution of their interests if the [**REDACTED**] exercise the [**REDACTED**] or if we issue additional shares in the future to raise additional capital.

Investors may experience difficulties in enforcing Shareholder rights.

Our Company is an exempted company incorporated in the Cayman Islands with limited liability, and the laws of the Cayman Islands differ in some respects from those of Hong Kong or other jurisdictions where investors may be located. The corporate affairs of our Company are governed by the Memorandum and the Articles, as amended from time to time, the Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Company and/or our Directors, actions by minority Shareholders and the fiduciary duties of our Directors to our Company under Cayman Islands laws 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 rights of the Shareholders and the fiduciary duties of our Directors under Cayman Islands laws may not be as clearly established as they would be under statutes or judicial precedents in Hong Kong or other jurisdictions where investors reside. In particular, the Cayman Islands has a less developed body of securities laws. As a result of all of the above, Shareholders may have more difficulty in exercising their rights in the face of actions taken by the management of our Company, Directors or major Shareholders than they would as shareholders of a Hong Kong company or company incorporated in other jurisdictions.

Future sales or perceived sales in the public market by our major Shareholders or issuance by us of significant amount of our Shares following the [REDACTED] could materially and adversely affect the price of our Shares and our ability to raise additional capital in the future.

Prior to the Listing, there has not a public market for our Shares. Future sales or perceived sales by our major Shareholders, or issuance by us of significant amounts of our Shares after the [**REDACTED**], could result in a significant decrease in the prevailing market prices of our Shares. The Shares held by certain Shareholders are subject to certain lock-up periods, the details of which are set out in the sections headed "History, Development and Corporate Structure" and "[**REDACTED**]" of this document. However, we cannot give any assurance that after the restrictions of the lock-up periods expire, these Shareholders will not dispose of any Shares. Sale of substantial amounts of our Shares in the public market, or the perception that these sales may significantly decrease the prevailing market price for our Shares and our ability to raise equity capital in the future.

We cannot assure you when, whether and in what form or size we will pay dividends in the future.

Payment of dividends is subject to regulations under PRC laws. Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years.

Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRSs in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRSs, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flows and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

You will incur immediate and significant dilution if the [REDACTED] of our Shares is substantially higher than the net tangible book value per Share, and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the Shares is higher than the net tangible book value per Share immediately prior to the [**REDACTED**]. Therefore, purchases of the Shares in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible book value, and our existing Shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible assets value per Share of their Shares. In addition, holders of our Shares may experience further dilution of their interests if the [**REDACTED**] exercise the [**REDACTED**] or if we issue additional shares in the future to raise additional capital.

Certain facts, forecasts and other statistics obtained from publicly available sources contained in this document may not be reliable in terms of accuracy, competence or reliance.

Certain facts, forecasts and other statistics contained in this document relating to China, the PRC economy and the industry in which we operate have been derived from various official government publications. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot assure you of the accuracy or completeness of information obtained from these sources. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources. The information from official government sources has not been independently verified by us or any other parties involved in the [**REDACTED**], or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the [**REDACTED**] and no representation is given as to its accuracy. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your investment in our Shares.

Forward-looking information in this document is subject to risks and uncertainties.

This document contains forward-looking statements and information relating to us and our operations and prospects that are based on our current beliefs and assumptions as well as information currently available to us. When used in this document, the words "anticipate," "believe," "estimate," "expect," "plans," "prospects," "going forward," "intend" and similar expressions, as they relate to us or our business, are intended to identify forward-looking statements. Such statements reflect our current views with respect to future events and are subject to risks, uncertainties and various assumptions, including the risk factors described in this document. Should one or more of these risks or uncertainties materialize, or if any of the underlying assumptions prove incorrect, actual results may diverge significantly from the forward-looking statements in this document. Whether actual results will conform with our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. In light of these and other uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations that our plans or objectives will be achieved, and investors should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

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

Prior to the publication of this document, there has been and there may also be, subsequent to the date of this document but prior to the completion of the [**REDACTED**], press and media coverage regarding us, our business, our industries and the [**REDACTED**], which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of such projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this document only and should not rely on any other information.