

RISK FACTORS

An [REDACTED] in the H Shares involves various risks. You should carefully consider all the information set out in this document and, in particular, the risks described below, before making an [REDACTED] in the H Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial position, results of operations or prospects. If any of these events occurs, the [REDACTED] of the H Shares could decline, and you may lose all or part of your [REDACTED]. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below. You should seek professional advice from your relevant advisors regarding your prospective [REDACTED] in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our success depends on the performance of and our continued collaboration with the brand owners we serve.

Our success is substantially dependent on the success of brand owners. Pursuant to our business model, our revenue is closely linked to the total net sales of brand owners. However, brand owners may experience significant decline in their online sales due to various reasons, such as newly identified quality or safety issues, decreased product popularity, or increased competition. They may also face financial difficulties, suffer impairment of their brands, or reduce their marketing efforts. Any of the aforementioned events could in turn adversely affect our results of operations. We may be particularly affected by such adverse changes if they are experienced by our top customers. In 2023, 2024 and 2025, revenue related to our five largest brand owners in each year in aggregate comprised 27.7%, 23.7% and 24.4% of our revenue, respectively.

In addition, the success of brand owners does not necessarily translate into our own, as there can be no assurance that our relationships will remain stable and cooperative in the long term. For example, we provide our e-commerce operation services under agreements with a term typically ranging from one to three years. These agreements may not be renewed, or, if renewed, may not be on the same or more favorable terms for us. Brand owners' renewal decisions are affected by various factors, such as their level of satisfaction with our solutions, our fees, their own e-commerce success, and their overall spending levels. In addition, if the level of e-commerce operation complexities and difficulties declines as a result of changes in the e-commerce landscape or otherwise, or if brand owners choose to increase their in-house support capabilities as an alternative to our solutions and services, our solutions and services may become less important or attractive to brand owners, and demand for our solutions and services may decline. If our existing brand owners, particularly major brand owners with whom we have had years of cooperation, terminate or do not renew their business relationships, and if we fail to secure mandates from alternative brand owners, our results of operations may be materially and adversely affected.

RISK FACTORS

We rely on the success of and the continued relationships with a limited number of e-commerce channels.

We rely heavily on a limited number of e-commerce channels for a substantial portion of our revenue, including Tmall, Douyin, JD.com, VIP.com and Xiaohongshu. These e-commerce channels serve as essential infrastructure for our services, providing the technological interface, consumer traffic, and promotional tools necessary for our solution’s delivery. They also frequently adjust their rules and algorithms, which can significantly impact store visibility and sales. For example, some platforms may favor top-performing brands or products with high transaction values, which could disadvantage emerging or smaller brands in our portfolio.

Our success is dependent on the success of these e-commerce channels. If these platforms experience issues such as counterfeit product incidents, consumer dissatisfaction, reputational damage, data security breaches, system failures, or regulatory actions, we may suffer reduced traffic, reputational spillover, and lower sales. We also need to adapt to and succeed on emerging e-commerce channels, such as interest-based platforms including Douyin, which have different operating logics and marketing ecosystems compared to shelf-based platforms, to capitalize on its success. Failure to adapt our strategies for new channels could result in missed growth opportunities and a loss of competitive edge.

In addition, we cannot assure you that we will be able to maintain our relationships with these e-commerce channels or maintain our sales at historical levels thereon. These platforms are not obliged to continue to cooperate with us, and any deterioration or termination of such relationships could materially and adversely affect our business. Should any of them terminate their business relationship with us entirely, we may not be able to secure new online sales platforms to compensate for loss of business. Even if they do continue cooperating with us, contract terms between us and such platforms may become less favorable, require adverse commission adjustments, involve higher operational or marketing costs, or fail to deliver expected promotional support, thereby impairing our ability to attract and retain consumers. Various other factors may also affect our relationship with e-commerce channels. For example, any interruption in platform services, such as system failures, changes to platform policies or algorithms, restriction or termination of our data integration access, or regulatory actions, could disrupt our operation, reduce the value of our solutions and our online visibility, and negatively impact customer engagement and conversion.

The industry in which our business operates is highly competitive. We may not be able to compete successfully against current and future competitors.

The brand online retail integrated operations services industry in China is highly competitive, and we expect this competition to continue to intensify in the future. The top five service providers in China’s market collectively held a market share of approximately 14.4% of the market in terms of GMV in 2025, according to Frost & Sullivan. We face intense competition, and we expect competition to continue to intensify in the future. With respect to sale of goods, our contracts with brand owners are generally not entered into on an exclusive basis, and we generally do not have contractual rights to exclusively operate their online stores or sell their products. As a result, if brand owners decide to switch part of their product sales to our competitors, we may face competition with other brand e-commerce service providers

RISK FACTORS

that brand owners work with. Increased competition may result in reduced pricing or a decrease in our market share either of which could negatively affect our ability to retain existing brand owners and attract new brand owners, our future financial and operating results, and our ability to grow our business. With respect to our brand e-commerce services, we compete in areas such as knowledge and understanding of the industry and tailor-made consumer and industry analysis.

Our ability to compete effectively depends on a number of factors, some of which may be beyond our control. For example, some of our current or future competitors may have, or may develop, greater brand recognition, better relationship with brands, a larger consumer base, or greater financial, technical or marketing resources than we do, and may therefore be able to offer services of higher quality with lower prices. Any smaller companies or potential new entrants may be acquired by, receive investment from or enter into strategic relationships with well-established and well-financed companies or investors, which may enhance their competitive position. In addition, some of our competitors may be able to secure more favorable terms from brands, devote greater resources to sales and promotion activities and IT infrastructure systems or adopt more aggressive pricing policies than we do. Therefore, we cannot guarantee that we will be able to compete successfully against our current or future competitors, and competitive pressures may lead to an increase in our operating expenses and distract our management from carrying out our business strategies.

We may be unable to keep pace with changes in technology, industry practices, or consumer needs, or develop solutions compatible with evolving e-commerce models.

The e-commerce market is characterized by rapid technological changes and frequent changes in rules, specifications and other requirements for selling brand owners' products. Our ability to retain existing brand owners and attract new brand owners depends in large part on our ability to enhance and improve our existing solutions and introduce new solutions that can adapt quickly to these technological changes on the part of major e-commerce channels. To achieve market acceptance for our solutions, we must effectively anticipate and offer solutions that meet frequently changing requirements in a timely manner. If our solutions fail to do so, our ability to renew our contracts with existing brand owners, and our ability to create or increase demand for our solutions, will be impaired.

We and brand owners may be unable to anticipate changes in consumers' buying preferences and adjust accordingly in a timely manner.

Our success depends, in part, upon our ability and brand owners' ability to anticipate and respond to consumer trends with respect to products sold through the stores that we operate. Constantly changing consumer preferences have affected and will continue to affect the online retail industry. We and brand owners must stay abreast of emerging consumer preferences, accurately predict consumers' tastes, anticipate product trends that will appeal to existing and potential consumers and avoid overstocking or understocking products to be successful. Failure in such endeavors may be detrimental to sales on brand owners' e-commerce businesses and result in unsold inventory markdowns, which could negatively impact our financial results.

RISK FACTORS

We have limited control over the operations of online platforms in channel distribution, and thus, we may be exposed to risks arising from their actions.

Our agreements with brand owners define what products we may sell, pricing guidelines, and approved e-commerce channels, and we must comply with these terms in operating our sales business. We need to abide by our agreements with brand owners in operating our sale of goods business. To ensure downstream distribution platforms under the channel distribution model comply with the policies of brand owners as we do, we typically require downstream distribution platforms to carry out their business by following policies in respect of the designated sales channels, marketing activities, recommended retail price and customer service that are pre-determined. However, given that we cannot control their actions, there is no guarantee that these platforms will carry out their business in full compliance with both our and brand owners' policies and standards. Any such unauthorized activities by downstream distribution platforms may subject us to a breach of contract liability. The remedies available to us upon a breach by downstream distribution platforms under the relevant agreements may not be sufficient to cover all losses we incur. If any of them is required to suspend or cease its operations as a result of noncompliance with the relevant PRC laws and regulations, our results of operations, market share, geographical coverage and brand image may be adversely affected.

The ongoing improvement and reliable operation of our technology platform, including its functionality, performance, design, security, scalability, and underlying IT systems, is essential to our business. Failure to maintain or enhance these aspects to meet the changing requirements of brand owners may significantly harm our operations and reputation.

The satisfactory performance, reliability and availability of our technology platform are critical to our success and our ability to attract and retain brand owners and provide quality customer services. Any system interruptions caused by telecommunications failures, errors encountered during system upgrades or system expansions, computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our technology platform, degraded order fulfillment performance, or additional shipping and handling costs may, individually or collectively, materially and adversely affect our business, reputation, financial condition and results of operations. In addition, any system failure or interruption could cause material damage to our reputation and brand image if our systems are perceived to be insecure or unreliable. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to system interruptions, website slowdown or unavailability, delays or errors in transaction processing, loss of data or the inability to accept and fulfill consumers' orders. Security breaches, computer viruses and hacking attacks have become more prevalent in our industry. Although we have not experienced such attacks or unexpected interruptions in the past, there remains a possibility that these could occur in the future. We can provide no assurance that our current security mechanisms will be sufficient to protect our IT systems from any third-party intrusions, viruses or hacker attacks, information or data theft or other similar activities. Any such future occurrences could materially and adversely affect our business, reputation, financial condition and results of operations.

RISK FACTORS

If the e-commerce market in China does not grow, or grows more slowly than we expect, demand for our solutions could be adversely affected.

Despite the rapid development of the e-commerce industry in China and the increase in the number of people adapted to online shopping in recent years, there is no guarantee that the e-commerce market in China, especially the segment for overseas or mid-to-medium brands will continue to grow at the same pace as we expect in the future. The long-term development and prospects of the e-commerce business in China are affected by numerous factors, which may be beyond our control. These factors include, but are not limited to:

- Growth and penetration of internet, broadband and mobile devices in China.
- Changes in consumer demographics, tastes and preferences.
- Consumers' trust and confidence in online platforms, products and services.
- The competitive landscape of retailing, including new online and offline retail models.
- Quality and efficiency of logistics, fulfillment, payment and other ancillary services.
- Laws, regulations and government policies relating to the internet, data and e-commerce.

Our financial performance is significantly affected by seasonality, especially that resulting from major e-commerce promotion periods.

Our results of operations are affected by seasonal fluctuations in demand for our solutions, which are primarily driven by consumer spending habits. Generally, in the second and fourth quarters of the year, when e-commerce platforms experience heightened promotional activities and increased shopping traffic, we receive a larger number of orders, resulting in higher revenue. As we believe that this pattern is likely to continue in the foreseeable future, quarterly comparisons of our operating results may not be useful and our results of operations in any particular period will not necessarily be indicative of the results of operations to be expected for any future period.

Software failures or human errors could cause our solutions to oversell brand owners' inventory or misprice their products.

Some brand owners rely on our solutions to automate the allocation of their inventories simultaneously across multiple e-commerce channels, as well as to ensure that their sales comply with the policies of each channel. In many instances, our personnel operate our solutions on behalf of brand owners. If our solutions do not function properly, or if there are human errors on the part of our service staff, brand owners might inadvertently sell more inventories than they actually have in stock or make sales that violate channel policies. Overselling their inventories could force brand owners to cancel orders at rates that violate channel policies. Errors in our software or human error could cause transactions to be

RISK FACTORS

incorrectly processed that would cause GMV and our fees to be overstated. Instances of such errors could reduce demand for our solutions and hurt our business reputation. Brand owners could also seek recourse against us in these cases.

Our business collects and processes a large amount of data and is subject to various evolving laws and regulations regarding cybersecurity and data privacy. Any failure to address cybersecurity and data privacy concerns, including any improper use or disclosure of or unauthorized access to such data, may harm our business and reputation and result in threats of lawsuits, administrative penalty and related liabilities.

Our business collects and processes a large quantity of personal, transaction and behavioral data. We face risks in the handling and securing of these large volumes of data. In particular, we face a number of challenges relating to data from transactions and other activities, including:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behavior by our employees;
- addressing concerns related to privacy and sharing of data, safety, security and other factors;
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data; and
- ensuring the compliance of third-party service providers with the data protection related clauses in agreements with us.

Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information or other customer data, could cause our consumers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information are becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of e-commerce services generally. We are subject to laws and regulations of the PRC and other countries and regions relating to the collection, use, retention, security and transfer of personally identifiable information with respect to our customers and employees. See “Regulatory Overview—Regulations on Cybersecurity, Data Security, and Personal Information Protection.”

We depend on third-party delivery service providers to deliver products to consumers.

We rely on third-party delivery service providers to deliver products to consumers, and any major interruptions to or failures in these third parties’ delivery services could prevent the

RISK FACTORS

timely or successful delivery of products. These interruptions may be due to unforeseen events that are beyond our or their control, such as inclement weather, natural disasters, transportation interruptions, fire incidents or labor unrest or shortage. If products are not delivered on time or are delivered in a damaged state, consumers may refuse to accept products and may claim refund from us or brand owners, and brand owners and consumers may have less confidence in our services. As a result, we may lose brand owners, and our financial condition and reputation could suffer.

We provide warehousing and logistics management for certain brand owners, exposing us to potential operational lapses, accidents, crimes or disputes regarding stock handling.

We provide warehousing and logistics management services for certain brand owners. To support these operations, we utilize our logistics and warehousing infrastructure.

Our ability to accurately manage inventory and fulfill orders depends on the smooth and uninterrupted operation of our fulfillment and warehousing network. This infrastructure is vulnerable to damage caused by events such as fire, flood, power outages, telecommunications failures, cyberattacks, break-ins, natural disasters, human error, and other unforeseen incidents. Operational lapses in stock handling, inventory discrepancies, or disputes with brand owners could also arise.

If any of our fulfillment and logistics infrastructures were rendered partially or completely inoperable due to such events, we might be unable to receive, store, or dispatch products, leading to significant delays or an inability to fulfill orders. Such disruptions could harm our reputation, lead to penalties or claims from brand owners, and result in substantial financial losses. We currently do not carry business interruption insurance to fully protect us from all potential natural disasters, force majeure risks, or prolonged operational disruptions.

We are subject to payment processing related risks.

We accept payments using a variety of methods, including online payments with credit cards and debit cards issued by major banks in China, payment through third-party online payment platforms such as Alipay and WeChat Pay, and payment on delivery. We may be subject to fraud and illegal activities in connection with the various payment methods we offer. We are also subject to various rules, regulations and requirements, regulatory or otherwise, governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from consumers, process electronic funds transfers or facilitate other types of online payments, and our business, financial condition and results of operations could be materially and adversely affected.

Negative media coverage or online postings about our Group, brand, management, brand owners, or products could materially harm our business and reputation.

Our growth and success depend significantly on consumer awareness, recognition, adoption and trust in our and brand owners' brands. Negative media coverage, including disparaging comments, reviews, or misinformation about our and brand owners' brands or

RISK FACTORS

products we promote and sell on social media platforms, or any negative publicity related to our business partners, could negatively affect consumer perception and confidence in the products we promote and sell. Furthermore, adverse publicity about the industries we or the brand owners that we serve operate in, whether or not directly associated with us, may influence general consumer perception towards industry participants, adversely affecting confidence in us. In particular, the quality and safety of the products that the brand owners that we serve are critical to preserving brand equity and consumer trust. Any actual or perceived deficiencies, such as product defects or substandard raw materials, whether due to inadequate quality control or supplier-related issues, could lead to product returns, recalls, regulatory scrutiny or consumer complaints. Although we have implemented rigorous quality control procedures, these systems may not fully prevent such risks, particularly where external suppliers are involved. In addition, incidents of consumer dissatisfaction may be amplified through social media platforms, intensifying reputational damage and possibly resulting in fines, sanctions or enforcement actions. Brand image for brand owners' brands may also be impaired by imitation or counterfeit products, which could confuse consumers and divert traffic away from brand owners' products. Any of such events could damage our brand image and reputation.

Our business and growth prospects heavily rely on the retention and engagement of key executives and skilled employees.

Our future success is significantly dependent upon the continued service of our key executives and other key employees. If we lose the services of any member of management or key employees, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth.

Competition for talent in the brand online retail integrated operations services industry is intense, and the availability of suitable and qualified candidates in China is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will choose to join or continue to work for us. Any failure to attract or retain key management and personnel could severely disrupt our business and growth.

We rely on continued cooperation with e-commerce channels, search engines, and websites for marketing and traffic generation, and there is no guarantee that we can establish or effectively manage these relationships.

We are familiar with traffic distribution rules across major e-commerce channels and have accumulated extensive experience in acquiring traffic across various vertical and niche categories. We are able to help brand owners effectively achieve traffic on e-commerce channels and support sustainable business growth. If we are unable to maintain these relationships with e-commerce channels, search engines and websites, our ability to attract new brand owners could be harmed. Further, many of the parties with which we have online advertising arrangements provide advertising services for other marketers of goods. As a result, these parties may be reluctant to enter into or maintain relationships with us. Failure to achieve sufficient traffic or generate sufficient revenue from purchases originating from third

RISK FACTORS

parties may limit brand owners' and our ability to maintain market share and revenue and affect our profitability. Moreover, if we are unable to manage and conduct marketing and promotional activities for our customers cost-effectively, they may turn to other alternatives, reducing our revenue and potentially materially adversely affecting our business and reputation.

We may not be able to adequately protect our intellectual property rights.

We rely on a combination of trademark, fair trade practice, patent, copyright and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We also enter into confidentiality agreements with our employees and any third parties who may access our proprietary information, and we rigorously control access to our proprietary technology and information. However, intellectual property protection may not be sufficient. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights. In addition, policing any unauthorized use of our intellectual property is difficult, time-consuming and costly, and the measures we have taken may be inadequate to prevent the misappropriation of our intellectual property. Any failure in protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations. On the other hand, third parties may claim that the technology or content used in our operation of online stores or our service offerings infringes upon their intellectual property rights. The possibility of intellectual property claims against us increases as we continue to grow, particularly internationally. Such claims, regardless of merit, may result in our expenditure of significant financial and management resources, injunctions against us or payment of damages. We may need to obtain licenses from third parties who allege that we have infringed their rights, but such licenses may not be available on terms acceptable to us or at all. These risks have been amplified by the increase in the number of third parties whose sole or primary business is to assert such claims.

Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing.

We may in the future be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all. Additional equity or equity linked financing may dilute the interests of our shareholders, and debt financing, if available, may involve restrictive covenants and could restrict our operational flexibility and reduce our profitability. Our ability to obtain additional financing in the future is subject to many uncertainties, including our future financial condition, results of operations, cash flows, [REDACTED] of our [REDACTED], liquidity of international capital and lending markets and PRC governmental regulations over foreign investment and cross-border financing and the Internet industry in the PRC. If we cannot raise funds on acceptable terms, we may not be able to grow our business or respond to competitive pressures.

Weaknesses in China's telecom systems could disrupt our digital retail solutions and materially harm our financial and operational outcomes.

E-commerce channels could cease operations unexpectedly due to a number of events, including interruptions in telecommunication services, computer viruses and unlawful access

RISK FACTORS

to e-commerce channels. Any material channel downtime or disruption could prevent us from providing solutions to brand owners, and reduce sales in online stores operated by us. The risks of these events occurring are even higher during certain periods of peak usage and activity, such as on or around the Singles Day Promotion or other promotional events, when user activity and transactions are significantly higher on our online stores compared to other days of the year. As our GMVs are concentrated on a limited number of e-commerce channels, the adverse effects of such downtime and disruption could be significant to our operations as a whole. This instability and susceptibility could create serious challenges to us.

Our insurance might be insufficient to cover full business risks, which could expose us to significant costs and business disruption.

We have obtained insurance to cover certain potential risks, such as property insurance covering our inventory inside our self-operated warehouses and fixed assets such as equipment. We do not maintain insurance covering product liability claims arising from the use, consumption or operation of the products we sell and claims arising from our negligence in business operation, which are not required by any applicable laws or regulations. We do not maintain key-man insurance on any of our senior management or key personnel, or business interruption insurance. There is no assurance that the insurance policies we maintain are sufficient to cover all of our operational risks. This could expose us to potential claims and losses.

In addition, our third-party service providers may fail to purchase insurance or maintain effective insurance. Even if we are successful in our claims against third-party service providers when certain accidents occur, such third-party service providers may not be able to fully, or at all, pay the damages resulting from such accidents. Any business disruption, litigation, regulatory action, outbreak of epidemic disease, accidents, or natural disaster could also expose us to substantial costs and diversion of resources. We cannot assure you that our insurance coverage or our third-party service providers' insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to recover the capital expenditures invested in enhancing our technology and innovation capabilities or upgrading our technology platform.

We have invested and will continue to expend financial resources to strengthen our technology and innovation capabilities and upgrade our technology platform, in order to serve a wider variety of brand owners and other customers with a broader array of services. We expect that we will continue to invest in these and other initiatives as our business develops. However, investments in technology and innovation initiatives are inherently uncertain, and we may encounter practical difficulties in deploying or commercializing our technology and innovations. As a result, we may not be able to recover the expenditures associated with these investments, and any recovery of such expenses may take longer than expected.

RISK FACTORS

Our expansion into new markets, service and product categories may expose us to new challenges and additional risks.

We may seek to explore new business opportunities, including expanding into new high potential product categories or developing services for emerging e-commerce channels, or enter into new markets and consummate strategic investments or acquisitions to enhance our market presence and capture emerging consumer demand. We cannot assure you that our new initiatives will be successful or yield the expected commercial benefits, or we will successfully expand into the new markets. In addition, we may experience difficulties in integrating our operations with the newly invested or acquired businesses, implementing our strategies or achieving expected levels of revenue, profitability, productivity or other benefits. We may also incur significant expenses as a result of our international expansion. Failure to successfully manage these risks could subject us to significant costs that we cannot recover, which could compromise our existing competitive position.

We use a number of key operating metrics to assess our business performance. If these metrics are perceived as inaccurate, it could harm our reputation.

We rely on certain key operating metrics, such as GMV, to evaluate the performance of our business. Our operating metrics may differ from estimates published by third parties or from similarly titled metrics used by other companies due to differences in methodology and assumptions. If these metrics are perceived to be inaccurate by [REDACTED], or [REDACTED] make [REDACTED] decisions based on operating metrics we disclosed but with their own methodology and assumptions or those published or used by third parties or other companies, our reputation may be harmed, which could negatively affect our business, and we may also face potential lawsuits or disputes.

Increasing awareness of environmental, social and governance issues may result in the adoption of more stringent laws and regulations that increase our compliance costs.

The growing concerns about ESG issues, such as packaging recycling, clean energy and environmental protection, and the evolving PRC laws and regulations relating to environmental protection, particularly those regarding carbon emissions from transportation vehicles, may lead to the adoption of more stringent laws and regulations affecting our business operations. As a result, we may need to devote more efforts and resources to ensure that we comply with these laws and regulations. We have recognized the importance of ESG and have taken several measures to achieve sustainable development and comply with the ESG-related laws and regulations that apply to us. See “Business — Environmental, Social and Governance (“ESG”).” However, we cannot assure you that these measures adopted by us can effectively mitigate the associated risks and help us navigate the evolving ESG matters in a complex and changing regulatory environment. Changing existing ESG related laws and regulations or the enactment of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, we may be subject to administrative penalties, fines or orders to suspend our operations, and our business and financial condition may be materially and adversely affected.

RISK FACTORS

RISKS RELATING TO OUR FINANCIAL POSITION

We may be unable to effectively manage our growth while maintaining profitability.

We have experienced significant growth in recent years, both in terms of overall scale and business diversification. Our total revenue increased by 7.6% from RMB1,318.3 million in 2023 to RMB1,419.1 million in 2024, and further increased by 11.8% to RMB1,586.6 million in 2025.

As we continue to expand our brand portfolio and consumer base, we face increasing operational complexity that may challenge our ability to maintain efficiency and achieve strategic goals. To support our ongoing growth, we must continue to manage a larger and more diverse group of e-commerce channels and brand owners, as well as build and sustain mutually beneficial relationships. At the same time, we need to continuously enhance and upgrade our infrastructure and technology, improve control over our operational, financial and management systems, strengthen our supplier and sales network management, refine our reporting systems and procedures, and expand, train and manage our employees. All these efforts will require significant managerial, financial and human resources, and we cannot assure you that such efforts will be able to effectively manage our growth. In addition, changes and developments in industries where we operate may also require us to re-evaluate our business model and make material adjustments to our long-term strategies and business plans. Our failure to adapt to these changes and developments may have a materially adverse effect on our business, financial condition and results of operations. Even if we innovate and adapt to these changes and developments, we may nevertheless fail to realize the anticipated benefits, and such initiatives may adversely impact our profitability.

Granting awards under our Employee Incentive Scheme could raise share-based compensation expenses and harm our results of operations.

We have adopted Employee Incentive Scheme to provide additional incentives to directors, senior management and employees. In 2023, 2024 and 2025, we recorded an aggregate of RMB14.9 million, RMB26.3 million and RMB28.7 million, respectively, in equity-settled share-based payment expenses. We may adopt new share incentive plans and grant options, restricted share units and other types of awards. We believe the granting of share-based awards is important to our ability to attract and retain key personnel and employees, and we will continue to grant share-based awards 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.

If we fail to manage our inventories effectively, our results of operations, financial condition and liquidity may be materially and adversely affected.

We had inventories of RMB45.6 million, RMB46.5 million and RMB72.2 million as of December 31, 2023, 2024 and 2025, and our inventories turnover days were 502 days, 522 days and 523 days in 2023, 2024 and 2025, respectively. Our inventories primarily consist of finished goods. We depend on our demand forecasts to make procurement and to manage our inventories. Such demand, however, can change significantly between the date inventories are ordered and the date by which we plan to sell them. Demand may be affected by various

RISK FACTORS

factors, including seasonality, new product launches, pricing and discounts, changes in consumer spending patterns and tastes. If we fail to manage our inventories effectively, we may be subject to excessive warehousing costs, heightened risks of inventory obsolescence, decline in inventory value, and significant inventory write-offs. Any of the above may materially and adversely affect our results of operations and financial performance. On the other hand, if we underestimate demand for our products, or if brand owners fail to supply in sufficient quantity and a timely manner, we may experience inventory shortages, which might materially and adversely affect our business, financial condition and results of operations.

If we do not manage our accounts receivable effectively this could materially and adversely affect our operating results, financial condition, and liquidity.

As of December 31, 2023, 2024 and 2025, our trade receivables amounted to RMB430.8 million, RMB394.4 million and RMB455.1 million, respectively. Our trade receivable turnover days were 111 days, 112 days and 103 days in 2023, 2024 and 2025, respectively. Any future increase in the amount of our trade receivables and trade receivable turnover days may make it more challenging for us to manage our working capital effectively, and our results of operations, financial condition and liquidity may be materially and adversely affected.

Our Controlling Shareholders have substantial interests over the Company, and their respective interests may not be aligned with the interests of other Shareholders.

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately following the completion of the [REDACTED], our Controlling Shareholders will be entitled to exercise approximately [REDACTED]% of the voting rights of the Company. This concentration of ownership may discourage, delay or prevent a change in control of the Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of the Company. These events may occur even if they are opposed by our other Shareholders. In addition, the interests of our Controlling Shareholders may differ from the interests of our other Shareholders. It is possible that our Controlling Shareholders may exercise its substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

RISK FACTORS

RISKS RELATING TO THE JURISDICTIONS IN WHICH OUR BUSINESS OPERATES

We are subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities in connection with the [REDACTED] and 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.

Our ability to grow and remain profitable relies on China’s overall economic and political environment, as well as consumer confidence and spending levels.

During the Track Record Period, substantially all of our revenue was derived from our operations in Chinese Mainland. Accordingly, our financial condition and results of operations are affected to a significant extent by economic, political and legal developments in the PRC, as well as by trends in consumer confidence and household spending.

The PRC economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises control over China’s economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies.

While the PRC economy has experienced significant growth in the past decades, growth has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us. Our financial condition and results of operation could be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In addition, the PRC government has implemented in the past certain measures to manage the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for our services.

RISK FACTORS

In recent years, fluctuations in consumer sentiment, driven by macroeconomic uncertainty, employment conditions, household income levels and overall expectations of future economic prospects, have directly influenced discretionary consumption patterns in China. Any sustained weakening in consumer confidence or reduction in spending levels may reduce demand for our services and adversely impact our growth prospects.

We are subject to laws that are applicable to retailers, including advertising and promotion laws and consumer protection laws that could require us to modify our current business practices and incur increased costs.

We are subject to numerous PRC laws and regulations that regulate retailers generally or govern online retailers specifically. See "Regulatory Overview." During the Track Record Period, we have not been subject to any non-material administrative proceedings or penalties due to non-compliances with such laws and regulations but we may be subject to allegations of non-compliance with these laws and regulations in the future. Such allegations, which may or may not have merit, may result in administrative penalties and other costs to us, and we may need to adjust some of our advertising and promotional practices as a result. If these regulations were to change or if we are found to be in violation of them, we may need to spend additional costs to rectify non-compliance, adjust our business practices and could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the products or services offered by us and hurt our business and results of operations

Pursuant to the amended Consumer Protection Law, consumers are generally entitled to return goods purchased within seven days upon receipt without giving any reason if they purchase the goods over the internet. Consumers whose interests have been damaged due to their purchase of goods online may claim damages against sellers. Moreover, if we deceive consumers or knowingly sell substandard or defective products, we would not only be required to compensate consumers for their losses, but also pay additional damages equal to three times the price of the goods or services.

E-commerce channels are also subject to stringent obligations under the amended Consumer Protection Law. For example, where e-commerce channels are unable to provide the real names, addresses and valid contact details of the sellers, the consumers may also claim damages from the channels operators. E-commerce channels that know or should have known that sellers use their channels to infringe upon legitimate rights and interests of consumers but fail to take necessary measures will bear joint and several liabilities with the sellers. In addition, e-commerce channels may take measures and impose stricter requirements on us or brand owners as a reaction to their enhanced obligations under the amended Consumer Protection Law.

Similar legal requirements may change from time to time, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations or to satisfy compliance requests from the e-commerce channels, which may increase our costs and limit our ability to operate our business.

RISK FACTORS

We may, from time to time, become a party to litigation, other legal and contractual disputes, claims and administrative or other regulatory proceedings.

We may, from time to time, be subject to various litigation, legal or contractual disputes, claims, or administrative proceedings in the ordinary course of our business, including, but not limited to, various disputes with or claims from our consumers, suppliers, customers, business partners and other third parties. Ongoing or threatened litigation, legal or contractual disputes, claims or administrative proceedings may divert our management's attention and other resources. Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings that are initially not of material importance may escalate and become important to us, due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the monetary amount at stake and the parties involved. If any adverse verdict, judgment or award is rendered against us or if we settle with any third parties, we may be required to pay significant monetary damages or assume other liabilities. In addition, negative publicity arising from litigation, legal or contractual disputes, claims or administrative proceedings may damage our reputation and have a material and adverse impact on our business, results of operations and financial condition.

Failure to comply with the PRC regulations regarding contribution of social insurance premium or housing provident fund may subject us to fines and other legal or administrative sanctions.

According to the PRC Social Insurance Law (《中華人民共和國社會保險法》) and other applicable PRC regulations, any failure to make timely and adequate contribution of social insurance premium for its employees may trigger an order of correction from competent authority requiring the employer to make up the full contribution of such overdue social insurance premium within a specified period of time, and the competent authority may further impose fines or penalties. According to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), the relevant housing fund authority may order an enterprise to pay outstanding contributions within a prescribed time limit.

During the Track Record Period, we made social insurance and housing provident fund contributions for our employees in accordance with PRC laws and regulations and local practices. During the Track Record Period, we had certain shortfalls in our statutory contributions in the PRC, primarily because: (i) social insurance and housing provident fund contributions were not made in full based on each employee's actual wage base of the preceding year; and (ii) for certain employees who voluntarily waived their participation in the housing provident fund scheme, we did not make such contributions, as they would require the employees to bear additional personal costs. During the Track Record Period, we were not subject to any administrative penalties in connection with these social insurance or housing provident fund contribution matters.

As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late payment fee of up to 0.05% per day. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue. In addition, an employer that has failed to pay the housing provident fund on time or underpaid the housing

RISK FACTORS

provident fund in violation of relevant regulations, may be ordered to make the payment within a stipulated deadline. If the employer still fails to make the payment within the stipulated deadline, the competent authorities may apply to the court for compulsory enforcement. As a result, we may be required by competent authorities to rectify the non-compliance and could be subject to a fine or penalty.

We plan to adopt enhanced internal control procedures when demanded, which procedures may include (a) strengthening management to ensure accurate calculation, declaration, and payment in compliance with applicable laws and regulations; (b) assigning separate staff for calculation and review; (c) requiring preparer and reviewer to separately sign off after completing their tasks; and (d) requiring internal audit/inspection departments to conduct regular checks on declarations and payments to ensure compliance, we will adopt the rectification measures and enhance relevant internal control measures when competent authorities require. Despite such planned procedures, we cannot assure you that we will not be subject to any penalty, or order to rectify non-compliance in the future. We may incur additional expenses to comply with such laws and regulations. For details related thereto, please see “Business — Employees”.

We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and adversely affect our results of operations and the value of your [REDACTED].

Under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) and its implementation rules, subject to any applicable tax treaty or similar arrangement between PRC and a Non-PRC investor’s jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are Non-Chinese Mainland resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within Chinese Mainland unless a treaty or similar arrangement provides otherwise.

As of December 31, 2025, PRC laws have not expressly provided that individual income tax shall be collected from Non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. If Chinese Mainland income tax is imposed on gains realized from the transfer of our [REDACTED] or on [REDACTED] paid to our Non-Chinese Mainland resident [REDACTED], the value of your [REDACTED] in our [REDACTED] may be affected. Furthermore, our Shareholders whose jurisdictions of residence do not have tax treaties or arrangements with Chinese Mainland may not qualify for benefits under such tax treaties or arrangements.

RISK FACTORS

We are subject to risks in relation to leased properties.

We currently lease several premises in China. Under the PRC laws and regulations, lease agreements in general are required to be registered with the local land and real estate administration bureau. The lease agreements of six our leased properties in China have not been registered with the relevant PRC government authorities. See “Business—Properties.” If we receive notice from the relevant PRC government authorities requiring us to complete the registration within the prescribed time frame and if we fail to do so, the relevant PRC government authorities may impose a maximum fine of RMB10,000 for each unregistered lease. 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.

You may be subject to Chinese income tax on dividends from us or on any gain realized on the transfer of our [REDACTED].

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

Although substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Shares, or the gain realized from the transfer of our Shares, would be treated as income derived from sources within China and would, as a result, be subject to Chinese income tax. If Chinese income tax is imposed on gains realized through the transfer of our Shares or on dividends paid to our non-resident investors, the value of your [REDACTED] in [REDACTED] may be adversely affected. Furthermore, those of our Shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for benefits under such tax treaties or arrangements.

RISK FACTORS

Laws and regulations over foreign currency conversion and on the remittance of Renminbi into and out of the PRC may affect our utilization of our revenue and our ability to remit dividends.

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of the PRC. Under the existing PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements and conducting such transactions at designated foreign exchange banks within the PRC that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to satisfy our foreign currency demands, and we may not be able to pay dividends in foreign currencies to the holders of our H Shares. In addition, fluctuations in exchange rates may result in foreign currency exchange losses and may expose us to foreign exchange risk. The effect of foreign exchange rate changes we recognized did not exceed RMB10,000 in each year during the Track Record Period.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your [REDACTED].

A substantial amount of our revenue and expenses are substantially denominated in Renminbi. We may need to obtain foreign currency to make payments of declared dividends, if any, on our Shares. In addition, our [REDACTED] from the [REDACTED] will be denominated in Hong Kong dollars. The value of currencies against the Hong Kong dollar, the U.S. dollar and other currencies is based on rates set by the People’s Bank of China, which is affected by, among other things, changes in global and geographical political and economic conditions, supply and demand in the monetary markets, and economic and political developments domestically and internationally. It is difficult for us to predict how external factors in respect of markets or policies may impact the exchange rate between the Renminbi and the Hong Kong dollar, the U.S. dollar or other currencies in the future. As a result, any appreciation of the Renminbi against the Hong Kong dollar may result in a decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our [REDACTED] in a foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these global and geographical political and economic factors may adversely affect the value of and any dividends payable on, our [REDACTED] in Hong Kong dollars.

RISK FACTORS

The change in tax regulations, non-compliance with such tax regulations in the PRC, or discontinuation of any of the preferential income tax treatments or government grants currently available to us could have an adverse effect on our results of operations and financial condition.

The PRC government from time to time adjusts or changes its policies on value-added, business, resources, fuel and oil, property development and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to the PRC tax laws and regulations and tax penalties or fines could have an adverse effect on our business, financial condition and results of operations.

Under the EIT Law, during the Track Record Period, Buy Quickly E-Commerce and Buy Quickly E-Vogue have obtained High and New Technology Enterprises ("HNTE") certification and hence are entitled to a preferential CIT rate of 15% for the Track Record Period. This qualification is subject to review by the relevant authority in the PRC for every three years. Such preferential tax treatments may expire when such entities no longer meet the regulatory criteria. We cannot assure you that we will be able to maintain our current effective tax rate in the future.

We also received subsidies from local governments in China as incentives for conducting business in certain local districts. We recognized cash subsidies of RMB50.3 million, RMB6.9 million, and RMB37.2 million in 2023, 2024 and 2025, respectively. These government subsidies are non-recurring in nature and we cannot assure you that we will be able to receive any government subsidies in the future. For more information on the government subsidies, see Note 5 in Appendix I to this document.

The discontinuation of the above-mentioned preferential income tax treatments or government grants currently available to us in the PRC could have a material and adverse effect on our financial condition and result of operations.

Our deferred tax assets are subject to uncertainties and judgments.

In the application of our accounting policies, our management is required to make judgments, estimates and assumptions about the carrying amounts of certain assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Therefore, actual results may differ from these accounting estimates. As of December 31, 2023, 2024 and 2025, we recorded deferred tax assets of RMB10.1 million, RMB18.6 million and RMB31.6 million, respectively. We account for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are determined based on the temporary differences between the financial statements carrying amounts and tax bases of existing assets and liabilities by applying enacted statutory tax rates that will be in effect in the period in which the temporary differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, based upon the weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred taxes of a change in tax rates is recognized in the consolidated statements of operations in the period of change. If a substantial reversal of deferred tax assets arises in future periods, our results of operations and financial condition may be materially and adversely affected.

RISK FACTORS

Significant trade disputes between China and other countries could negatively impact our business performance and results of operations.

Our success is subject to the global macroeconomic environment and geopolitical relationships. A significant portion of our revenue is generated from providing services to overseas brand owners, many of whom are headquartered in the United States, Europe, and other regions. Escalating trade or political tensions between China and these countries could have a direct negative impact on our operations. Furthermore, heightened political tensions could lead to shifts in consumer sentiment or boycotts against foreign brands, directly impacting their sales volumes. Since our revenue from brand retail operation services is closely tied to our partners' sales performance, any decline in their sales due to these factors could cause them to downscale their operations in China or, in extreme cases, exit the market entirely. Such events would materially and adversely affect our revenue, results of operations, and financial position.

We may be held liable for inappropriate comments or content made by third parties in carrying out our digital marketing activities.

Our operation of our digital marketing service may engage third-party individuals, such as influencers or KOLs, to perform live-streamed promotional activities. We are unable to always control the comments and content made by such persons despite the relevant protective clauses we have normally put into the agreements with them. Therefore, it is possible that certain influencers or KOLs may engage in illegal, obscene or inflammatory conversations or activities, including posting inappropriate or illegal content that may harm the public interests or the national interests. In severe circumstances, such information or content may be deemed unlawful under applicable laws and regulations, and relevant government authorities may require us to discontinue or restrict operations or services that would have led, or may lead, to such events. We may incur significant costs in investigating and defending ourselves if we find ourselves subject to penalties or claims or proceedings based on the nature or content of comments made by third-parties.

It may be difficult to effect service of process or to enforce any judgments obtained from non-PRC courts against us or our management residing in the PRC.

Substantially all of our business and operations are located in the PRC. In addition, almost all of our Directors and executive officers reside in China, and substantially all of their assets are located in China. Therefore, it may be difficult for investors to effect service of process upon those persons residing in China or to enforce against us or them in China any judgments obtained from non-PRC courts. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of many other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside China may be difficult or even impossible.

RISK FACTORS

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our [REDACTED], and their liquidity and [REDACTED] may be volatile.

Prior to this [REDACTED], there has been no public market for [REDACTED]. The initial [REDACTED] for our [REDACTED] was the result of negotiations between us and the [REDACTED] (for itself and on behalf of the [REDACTED]), and the [REDACTED] may differ significantly from the [REDACTED] for our [REDACTED] following this [REDACTED]. We have applied for [REDACTED], and permission to [REDACTED], our [REDACTED] on the Stock Exchange. There is no assurance that this [REDACTED] will result in the development of an active, [REDACTED] for our [REDACTED]. In particular, we are [REDACTED] representing [REDACTED]% of our share capital in this [REDACTED], assuming the [REDACTED] is not exercised. This factor, as well as factors such as variations in our revenue, earnings and cash flows or any other developments in our operations may affect the volume and price at which our [REDACTED] will be [REDACTED].

Furthermore, the price and trading volume of our [REDACTED] may be volatile. The following factors, among others, may cause the market price of our [REDACTED] after this [REDACTED] to vary significantly from the [REDACTED]:

- our financial results;
- unexpected business interruptions resulting from natural disasters or power shortages;
- major changes in our key personnel or senior management;
- changes in laws and regulations in China;
- our inability to compete effectively in the market;
- our inability to obtain or maintain regulatory approval for our operations;
- fluctuations in stock market prices and volume;
- changes in analysts' estimates of our financial performance;
- political, economic, financial and social developments in China and Hong Kong and in the global economy; and
- involvement in material litigation.

In addition, shares of other companies listed on the Stock Exchange with operations and assets in China have experienced significant price volatility in the past. As a result, it is possible that [REDACTED] may be subject to changes in price not directly related to our performance and, as a result, [REDACTED] may suffer substantial losses.

RISK FACTORS

Since there will be a gap of several days between the [REDACTED] and trading of our [REDACTED], holders of [REDACTED] are subject to the risk that the market price of [REDACTED] could fall during this period before trading of [REDACTED] begins.

The [REDACTED] of [REDACTED] will be determined on the [REDACTED]. However, [REDACTED] will not commence trading on the Hong Kong Stock Exchange until they are delivered, which is expected to be about four Hong Kong business days after the [REDACTED] Date. As a result, [REDACTED] may not be able to sell or otherwise deal in [REDACTED] during that period. Accordingly, holders of [REDACTED] are subject to the risk that the [REDACTED] of [REDACTED] could fall when trading commences as a result of adverse market conditions or other adverse developments that could occur between the [REDACTED] and the time trading begins.

Substantial future sales or the expectation of substantial sales of [REDACTED] in the [REDACTED] following the expiry of the [REDACTED] period could materially and adversely affect the market price of [REDACTED].

Our Controlling Shareholders are subject to restrictions of [REDACTED] periods stipulated by the Listing Rules and certain commitments beneficial to us as described in “[REDACTED]” in this document. However, future sales of a significant number of [REDACTED] by our Controlling Shareholders or other existing shareholders in the market after the expiry of the [REDACTED] period, or the perception that these sales could occur, could cause the market price of [REDACTED] to decline and could materially impair our future ability to raise capital through future [REDACTED] of [REDACTED]. We cannot assure you that our Controlling Shareholders will not dispose of Shares held by them or that we will not issue Shares pursuant to the general mandate to issue shares granted to our Directors or otherwise, upon the expiration of restrictions set out above. We cannot predict the effect, if any, that any future sales of Shares by our Controlling Shareholders, or the availability of Shares for sale by our Controlling Shareholders, or the issuance of Shares by the Company may have on the market price of the [REDACTED]. Sale or issuance of a substantial number of Shares by our Controlling Shareholders or us, or the market perception that such sale or issuance may occur, could materially and adversely affect the prevailing market price of the [REDACTED].

Any possible conversion of Unlisted Shares into H Shares in the future could increase the supply of [REDACTED] in the market and negatively impact the market price of [REDACTED].

Subject to the approval of the State Council securities regulatory authority, our Unlisted Shares may be converted into H Shares, and such converted Shares may be listed or traded on an overseas stock exchange. Any listing or trading of the converted Shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of such stock exchange. However, the PRC Company Law provides that in relation to the [REDACTED] of a company, the shares of that company which are issued prior to the [REDACTED] shall not be transferred within one year from the date of the [REDACTED]. Therefore, upon obtaining the requisite approval, our [REDACTED] may be [REDACTED], after [REDACTED], in the form of [REDACTED] on the Stock Exchange after one year of the [REDACTED], which could further increase the supply of [REDACTED] in the market and could negatively impact the market price of [REDACTED].

RISK FACTORS

As the [REDACTED] of [REDACTED] is higher than our consolidated net tangible asset book value per [REDACTED], [REDACTED] in [REDACTED] in the [REDACTED] may experience immediate dilution upon such [REDACTED].

As the [REDACTED] of [REDACTED] is higher than the consolidated net tangible assets per Share immediately prior to the [REDACTED], [REDACTED] of [REDACTED] in the [REDACTED] may experience an immediate dilution. Our existing Shareholders will receive an increase in the net tangible asset value per Share of their Shares. In addition, [REDACTED] may experience further dilution of their interest if we issue additional Shares in the future to raise additional capital.

We cannot assure you whether and when we will declare and pay dividends in the future.

We have declared dividends in the past. However, we cannot assure you that dividends of any amount will be declared or distributed by us in any year in the future. Under the applicable laws and regulations of Chinese Mainland, the payment of dividends may be subject to certain limitations, and the calculation of our profit under the Accounting Standards for Business Enterprises may differ in certain respects from the calculation under IFRS Accounting Standards. The declaration, payment and amount of any future dividends are at the discretion of our Directors, after taking into account various factors, including our results of operations, cash flows, capital expenditure requirements, market conditions, our strategic plans and prospects for business development, regulatory restrictions on the payment of dividends and other factors as our Directors may deem relevant, and subject to the approval at Shareholders’ meeting. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable laws and regulations of Chinese Mainland. See “Financial Information—Dividend Policy” for further details. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Our historical dividends should not be taken as indicative of our dividend policy in the future.

Certain facts, forecasts and statistics derived from external sources contained in this document may not be reliable and the market opportunity estimates may not be accurate.

Certain facts, forecasts and other statistics in this Document are derived from various government and official resources. However, our Directors cannot guarantee the quality or reliability of such source materials. We believe that the sources of the said information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Nevertheless, information from official government sources has not been independently verified by the Company and the Sole Sponsor, any of our or its Directors, executive officers or representatives or any other person involved in the [REDACTED] and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. Further, we cannot assure [REDACTED] that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, [REDACTED] should consider carefully how much weight or importance should be attached to or placed on such facts or statistics.

RISK FACTORS

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

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “going forward”, “intend”, “plan”, “project”, “seek”, “expect”, “may”, “ought to”, “should”, “would” or “will” and similar expressions. These statements are, by their nature, subject to significant risks and uncertainties. [REDACTED] are cautioned that reliance on any forward-looking statement involves risk and uncertainties and that, even if the Directors believe the assumptions related to those forward-looking statements are reasonable, any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. The risks and uncertainties in this regard consist of those identified in the risk factors discussed above. In light of these and other risks and uncertainties, the disclosure of forward-looking statements in this Document should not be regarded as representations by our Company that the plans and objectives will be achieved, and [REDACTED] should not place undue reliance on such statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events, or otherwise. All forward-looking statements in this document are qualified by reference to this cautionary statement.

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

There have been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us, our business, our industry and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. None of us, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other person involved in the [REDACTED] has authorized the disclosure of any such information in the press or media coverage, or accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication.

Accordingly, [REDACTED] should not rely on any such information or publication in making their decision whether to [REDACTED] in our [REDACTED]. [REDACTED] are reminded that, in making their [REDACTED] decisions as to whether to purchase our Shares, they should rely only on the financial, operational, and other information included in this document. By applying to [REDACTED] our [REDACTED] in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document.