You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as 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.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Changes in industry dynamics, including shifts in consumer preferences, the entry of new market participants and changes in public policies in the international trade industry, may intensify competition, slow down our growth and materially adversely affect our profitability.

The international trade industry in which we operate is subject to continuous change and heightened competition. Our business spans multiple segments along the international trade value chain, including market operations, trade services, commodity sales, ancillary services and ancillary facility development and sales. Changes in industry dynamics, such as evolving sourcing and procurement practices, shifts in consumer preferences, increasing digitalization of trade activities, consolidation among market participants or the emergence of new trading platforms and service providers, may alter competitive conditions and reduce the attractiveness or relevance of our existing offerings.

In particular, increased competition from alternative wholesale markets, online trading platforms, cross-border e-commerce channels and comprehensive trade services providers may divert merchants, buyers or transaction volume away from our ecosystem. New or existing competitors may offer lower pricing, more specialized services, enhanced digital capabilities or different commercial models that better address customer needs. As a result, we may face pressure on booth rental rates, service fees and margins, or be required to increase investments in market upgrades, digital infrastructure, marketing and service enhancements to maintain our competitive position, which may increase our operating costs and reduce profitability.

In addition, changes in public policies and regulatory priorities relating to international trade, market supervision, digital platforms, cross-border transactions or related industries may affect industry structure, entry thresholds and operating conditions. Policy-driven adjustments, including changes in trade facilitation measures, customs or foreign exchange practices or local market development strategies, may influence trading activity levels, merchant behavior and investment decisions within our markets and platforms. If we are unable to adapt effectively to such changes or if competitive pressures intensify more rapidly than anticipated, our business, financial condition and growth prospects could be materially and adversely affected.

Our business relies partially on the vibrancy and transaction volume of our physical marketplaces. Any downturn in market activity, decline in transaction volume, disintermediation of the trade chain or weakening or replacement of such marketplaces by alternative trading channels may adversely affect our results of operations.

Our business is closely associated with the overall trading ecosystem of Yiwu China Commodities City, which comprises a large network of physical marketplaces, merchants, buyers and supporting service providers. The vibrancy of such ecosystem, including the level of merchant participation, buyer traffic and transaction volume, directly affects the scale of commercial activities conducted through our marketplaces and, in turn, the demand for our related services. During the Track Record Period, a significant portion of our revenue is derived, directly or indirectly, from market operations and trade service activities that are closely linked to the functioning of such physical marketplaces, which accounted for 31.1%, 32.8% and 33.3% of our total revenue in 2023, 2024 and 2025, respectively. Any decline in the attractiveness or utilization of our marketplaces, whether due to changes in buyer sourcing behavior, reduced merchant participation, macroeconomic fluctuations affecting trade activities or disruption to on-site trading activities, could lead to a decrease in transaction volume and adversely affect our business performance. Continuous decline in market vibrancy or transaction activities may materially and adversely affect our revenue and results of operations.

Further, the appeal of our physical marketplaces is closely linked to our role as a central hub within the commodity trading chain, integrating and connecting upstream production with downstream procurement, including manufacturers, wholesalers and individual buyers. However, the continued development of alternative trading channels, particularly digital platforms, cross-border e-commerce and direct sourcing models, may result in disintermediation of traditional wholesale marketplaces. To the extent that suppliers and buyers increasingly bypass physical marketplaces and conduct transactions through alternative channels, the role of our marketplaces as a central trading hub may be weakened, which could reduce traffic, transaction volume and demand for related services. To compete with alternative trading channels, we may incur additional effort in diversifying the structure of merchants and products, providing better customer services and enhancing transaction efficiency. Failure to continue increasing the value of our physical marketplace may adversely affect our business scale, revenue and results of operation.

Our business sustainability depends partially on maintaining our relationship with existing merchants and attracting new merchants to our marketplaces. Any significant changes in the composition of, or the loss of merchants, could have an adverse impact on our business.

The composition, scale and quality of our merchant base directly influence the level of trading activity conducted within our marketplaces and, in turn, the demand for our services. Accordingly, our business builds on our ability to maintain stable relationships with existing merchants and to continuously attract new merchants to offer products aligned with market trends and preferences. During the Track Record Period, the number of booths in our marketplaces increased from 60,398 as of December 31, 2023 to 66,642 as of December 31, 2025, and the number of merchants in our marketplaces increased from 73,758 to 79,528. Our existing merchant base offers a broad and diversified range of products with approximately 2.1 million SKUs, forming a stable supply foundation that supports consistent buyer traffic and recurring transaction activities. In addition, as we expand our marketplace, we have continuously introduced new merchants with new product categories to align with evolving market trends and to attract a broader customer base. For example, our newly opened Global Digital Trade Center hosts merchants in emerging industries. The sustainability of our merchant ecosystem depends on our ability to maintain a balanced and dynamic merchant composition, including retaining established merchants while onboarding new merchants that enhance product diversity and market relevance. However, merchant retention and recruitment are subject to various factors beyond our control, including changes in market conditions, the profitability of merchants' operations, rental and operating costs and the availability of alternative sales channels such as e-commerce platforms and direct-to-consumer models. In addition, our merchant composition may be affected by industry trends, supply chain stability, pricing dynamics and changes in the business scale or operating conditions of major merchants. An imbalance in merchant structure, such as excessive concentration in certain product categories or insufficient participation by high-quality merchants, may reduce product diversity and market attractiveness, thereby adversely affecting buyer traffic and transaction volume. Newly introduced merchants or products may also fail to meet our expectations, or fail to comply with applicable quality or regulatory standards, which may result in reputational risks and reduced customer confidence.

We may also experience merchant turnover due to changes in market conditions, competitive pressures or adjustments to our leasing terms and admission standards. If we are unable to replace departing merchants in a timely manner, or if the overall quality of our merchant base deteriorates, our marketplace operations and performance may be adversely affected.

Furthermore, certain merchants may sublease or assign their booths to third parties. Although such arrangements are subject to our review and approval, the actual operators may differ from the original merchants in terms of operational capability, product quality and compliance standards. Excessive subleasing or frequent changes in actual operators may reduce marketplace stability and increase management and compliance costs, which could adversely affect our business.

Failure to maintain effective merchant admission standards, including in connection with the introduction of new types of merchants, may undermine the attractiveness of our marketplaces and adversely affect our results of operations.

Our ability to sustain the quality and competitiveness of our marketplaces depends on the effectiveness of our merchant admission and selection processes. We establish admission criteria and conduct assessments based on various factors, including alignment with category planning and evaluation of compliance track records and performance history. However, such assessments involve judgment and are inherently subject to uncertainties. The qualifications of our existing merchants may deteriorate due to lack of oversight and insufficient efforts to maintain existing standards.

As we continue to expand our marketplaces and introduce new merchant types and product categories, including those associated with emerging consumption trends and new business formats, we may face increased challenges in effectively evaluating merchant suitability and maintaining consistent admission standards. We cannot guarantee that we will be able to timely adjust our admission standards, internal controls and risk management measures to address new risks associated with evolving merchant profiles or product offerings. Any failure to effectively manage merchant admission standards, including inadequate screening, inconsistent application of criteria or insufficient post-admission monitoring, may result in the introduction of merchants or products that fail to meet customer expectations, applicable regulatory requirements or market norms, thereby further reducing buyer confidence, weakening marketplace attractiveness and adversely affecting trading activity. Further, newly admitted merchants may not perform as expected, may fail to meet applicable quality or compliance requirements, or may not align with our intended merchant composition and market positioning. If the performance of our newly admitted merchants falls below expectations, the attractiveness of our marketplaces to high-quality merchants and buyers may decline, and our customer confidence and reputation may be adversely affected, which could in turn adversely affect our results of operations.

Poor performance and litigation of merchants at our marketplaces may adversely affect our market image.

Our marketplace hosts a number of merchants whose operational performance and reputation collectively influence the overall trading activity, product supply and market perception of our marketplaces. While we offer merchants physical booths, we have limited control over merchants' own performance. Merchant performance is subject to their own sales and marketing efforts, their bond with customers and quality of their products. Merchants may, from time to time, experience operational difficulties, financial distress or business disruptions, which could affect their ability to maintain stable product supply, pricing competitiveness and service quality. Any deterioration in the performance of merchants may reduce transaction activity, disrupt normal marketplaces operations or negatively affect the buyer experience.

Our merchants may also, from time to time, be involved in litigation, investigations or disputes with their customers, such as those related to product quality or defects, logistics arrangements, payments, alleged infringement of intellectual property rights (including the sale of pirated, counterfeit or illegal goods), false or misleading product descriptions, after-sales services and other contractual disputes, regardless of whether such matters relate to their activities in our marketplaces. Our ability to distance ourselves from the conduct or disputes of individual merchants may be limited. Negative publicity associated with these matters may damage the reputation and credibility of our marketplace by association, even if we are not a party to such proceedings. This may lead to decreased traffic in our marketplaces, reduce merchant participation and overall transaction volume and negatively affect our results of operation.

Any decline in rental rates, lease occupancy or utilization of our marketplaces, or failure to renew leases on commercially acceptable terms, may materially and adversely affect our revenue, results of operations and cash flows.

We generate revenue from market operations primarily from rental of our booths. As such, our financial performance is directly affected by rental rates, occupancy levels and overall utilization of our marketplaces. During the Track Record Period, our average booth occupancy rate remained above 95%. Rental rates and occupancy levels are influenced by a number of factors, including market conditions, the performance and profitability of merchants, competition from other wholesale markets and alternative sales channels, as well as changes in consumer demand and industry trends. Any decline in demand for booth space, whether due to reduced merchant participation or increased availability of alternative platforms such as e-commerce and direct sourcing channels, may result in downward pressure on rental rates or lower occupancy levels.

We contract with merchants on fixed terms. Upon the expiration of existing lease agreements, we cannot guarantee that existing merchants will renew their leases, or renew on terms that are commercially acceptable to us. We may be required to offer rental concessions, accept lower rental rates, incur additional incentive costs or experience vacancy periods when retaining or replacing existing merchants. Any prolonged vacancy, underutilization of space or inability to renew leases on favorable terms may adversely affect our cash flows and profitability.

Furthermore, certain of our marketplaces or newly developed projects may experience lower-than-expected utilization, particularly during initial ramp-up, redevelopment and upgrade-related planning periods. If we are unable to achieve or maintain expected levels of occupancy and utilization, the returns on our investments in marketplace development and operations may be adversely affected. Any of the foregoing factors may result in reduced rental income and operating efficiency, which could materially and adversely affect our revenue, results of operations and cash flows.

We may not be able to sustain revenue from entry fees and digital platform infrastructure fees, which could adversely affect our overall revenue growth and our results of operations.

We charge entry fees for newly admitted signed booths, in connection with booth reintroduction and related follow-up marketplace services that support merchants' initial operation of such booths. We also charge digital platform infrastructure fees in connection with new merchants admitted to *Chinagoods*. The digital platform infrastructure fees reflect the upfront organizational works and preparations required to ensure merchants' smooth entry into *Chinagoods*. While entry fees and digital platform infrastructure fees have historically contributed to our revenue growth in certain periods, these incomes are inherently episodic and may not recur at the same level, or at all, in future periods.

The amount of entry fee we generated as revenue depends on multiple factors, including (i) the pace and scale of new market development and expansion, (ii) the frequency and scope of booth reconfiguration, category restructuring or market layout adjustments, (iii) the level of demand from prospective merchants for newly allocated booths, and (iv) our ability to successfully conduct allocation arrangements in accordance with applicable rules and policies. Many of these factors are subject to changes in macroeconomic conditions, industry and trade dynamics, competitive pressures from other marketplaces, and regulatory or policy developments affecting market operations and resource allocation. In addition, entry fees are generally charged on initial allocation, and no entry fee is required upon renewal of the relevant booth usage rights. As a result, as our marketplaces mature, and to the extent that booth allocations shift towards renewals rather than new allocations or reconfigurations, our entry fee income may decline.

The amount of digital platform infrastructure fees we generate as revenue depends on multiple factors, including (i) the pace and scale of *Chinagoods* development and expansion; (ii) the level of demand from prospective and newly entered merchants; and (iii) our ability to successfully develop and upgrade services provided in *Chinagoods*. Many of these factors are subject to changes in macroeconomic conditions, industry and trade dynamics, competitive pressures from other trade service platforms and regulatory or policy developments affecting these platforms. In addition, digital platform infrastructure fees are generally charged on initial allocation, and no such fee is required upon renewal or upon service expiration. As a result, as *Chinagoods* matures, and as merchants shift towards renewals or exit rather than entry, our digital infrastructure service fees may decline.

If we are unable to maintain an adequate pipeline of new booth allocations or reconfigurations that support entry fee collection and attract merchants in registering with *Chinagoods*, or if merchant demand weakens, our revenue and results of operations may be adversely affected. Further, because entry fees and digital platform service fees may comprise a higher proportion of segment revenue in certain periods, fluctuations in their income could increase volatility in our period-to-period financial performance. Any material decline in entry fee and digital platform service fee revenue may also reduce our capacity to fund marketplace and trade service platform upgrades, digital initiatives and other operational improvements, which could in turn adversely affect the attractiveness and competitiveness of our marketplaces.

Our investments in the maintenance, upgrading or expansion of our marketplaces may not be carried out successfully or achieve expected results.

We continuously invest in the maintenance and upgrading of our existing marketplaces to enhance infrastructure, optimize layout and improve overall customer experience. As our marketplaces attract more domestic and overseas visitors, we undertake expansion projects to increase capacity, including the Global Digital Trade Center that commenced operation in October 2025. Such initiatives typically involve significant capital expenditure, extended development timelines and complex coordination among multiple stakeholders, including contractors, merchants and regulatory authorities. Our total lettable area increased from 1.3 million sq.m. as of December 31, 2023 to 1.6 million sq.m. as of December 31, 2025. In addition, we have continuously maintained and upgraded marketplace infrastructure. For example, the Global Digital Trade Center is equipped with business reception venues for merchants and buyers, 10-gigabit network connectivity and cross-border internet access capabilities. These upgrades improve visitors' accessibility to merchants while accommodating both casual shopping and commercial purchases at our marketplace. However, the successful execution of these projects is subject to various risks and uncertainties, including delays in construction or renovation, cost overruns, design or planning deficiencies and challenges in obtaining necessary regulatory approvals, where applicable. Furthermore, the effectiveness of our investments depends on our ability to accurately assess market demand, industry trends and merchant needs. Any misjudgment in project positioning, scale, merchant mix or product categories may result in underutilization of capacity, inefficient allocation of resources and lower-than-expected returns on investment. If our maintenance, upgrades and expansion fail to achieve expected results or lead to underutilization of resources, our financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to various risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, certain customers (individually or collectively, the "**Relevant Customer(s)**") settled payments with us through accounts belonging to parties (individually or collectively, the "**Relevant Payor(s)**") other than the contractual counterparties under the corresponding sales confirmations (the "**Relevant Payment Arrangements**") entered into between us and such Relevant Customers. See "Business — Third-Party Payment Arrangements." We face various risks related to these Relevant Payment Arrangements, including: (i) Relevant Payors who are not contractually obligated debtors may seek to reclaim funds from us; (ii) potential risks arising from our limited understanding of the source and use of funds by Relevant Payors; and (iii) claims that may be made by the liquidators of Relevant Payors. If any claims are made by Relevant Payors or their family members, creditors or liquidators, or if any legal proceedings are initiated or brought against us regarding any Relevant Payment Arrangements, we may need to allocate additional financial and management resources to address these claims or legal proceedings, which could adversely affect our business and financial performance.

We also face potential money laundering and sanctions risks as we may have limited knowledge about the source and purpose of the funds utilized by the Relevant Payors. We cannot assure you that we will not be liable to any penalties or other legal consequences or investigation or inquiry by any government authorities in relation to money laundering or other compliance issues associated with the Relevant Payors or the Relevant Payment Arrangements.

Customer complaints and product liability claims may damage our reputation and business.

We engage in commodity sales business that involve the sale of a wide range of products supplied by third-party brands and trading partners. The success of such business therefore relies heavily on the consistent satisfaction of customers with our products and services. Customer preferences are highly subjective and can vary significantly among individual customers. Products and services that are effective and appealing to one customer may not satisfy another. We are exposed to complaints and negative feedback from customers who feel we offered subpar products and services or that such products or services do not meet their expectations. We primarily facilitate the trading of grains, aquatic products, and meats. Incorrect or incomplete labelling in place of origin, species, or storage requirements or discrepancies between product specifications and documentation may lead to shipment rejection or customer disputes. Our products may also malfunction or contain defects, exposing us to product liability claims if such issues cause personal injuries or financial losses to our customers. Third parties may also bring claims or legal proceedings, which may be time-consuming and costly to defend.

Certain product liability claims may be the result of defects from parts purchased from or processed by our merchants' suppliers that are unrelated to us. Attempting to enforce our rights against such suppliers may be expensive, time-consuming and ultimately futile. Such suppliers may not be able to indemnify us for the losses resulting from such defects and product liability claims in full, or at all. As a result, any material product liability claim, or litigation could result in significant expenses and managerial efforts in defending them and may have a negative impact on our reputation.

In addition, products sold by merchants at our marketplaces may be defective, fail to comply with applicable laws and regulations, allegedly infringe on third-party intellectual property rights or not meet customer expectations. Any such issues may result in returns, refunds, disputes or claims for compensation and may expose us to potential liability or regulatory scrutiny, particularly where customers perceive us as responsible for the overall transaction experience.

Further, both customer complaints and product liability claims, if amplified through social media or other forums, could attract regulatory scrutiny, undermine customer trust and potentially result in administrative penalties or other mandatory corrective actions, any of which could materially and adversely affect our results of operations.

Accidents, injuries or illegal activities in our marketplace may adversely affect our reputation and subject us to liability.

We are exposed to fraudulent or illegal activities or other misconduct occurred in our marketplaces. Whether these misconduct were initiated by our employees, merchants, or buyers, we may be subject to liabilities, fines and other penalties imposed by government authorities and negative publicity. Since our merchants operate independently and may act outside the scope of our oversight, we may not be able to detect improper behavior in a timely manner, or at all. Any illegal, fraudulent, corrupt or collusive activity occurred in our premises, including, but not limited to, those in violation of anti-corruption, anti-money laundering or anti-bribery laws, the sale of counterfeit, infringing, substandard or otherwise unauthorized goods, could subject us to negative publicity that could severely damage our brand and reputation and, if conducted by our employees, could further subject us to significant financial and other liabilities to third parties and fines and other penalties imposed by government authorities. Accordingly, our failure to detect and prevent fraudulent or illegal activities or other misconduct in our marketplaces may materially and adversely affect our business, financial condition and results of operations.

Our ICMALL brand exposes us to various operational and commercial risks. Any ineffective management of such risks may materially and adversely affect our results of operations.

Our self-operated brand, ICMALL, primarily serves end-customers by integrating online and offline sales channels with unified brand, pricing, product and operational standards. Our supply chain depends on our ability to maintain stable relationships with suppliers and to secure sufficient product supply at commercially reasonable prices and within acceptable lead times. We may be affected by increases in the cost of raw materials or finished goods, supply shortages, extended lead times or disruptions in supplier operations. Our supply chain may be subject to price volatility, disruptions or shortages caused by factors beyond our control, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, inflation, governmental regulations and policies, cross-border trade policies and geopolitical tensions. In addition, our ability to diversify our supplier base may be limited for certain products, which may increase our exposure to supplier concentration risks. Therefore, any significant increase in the prices of consumer goods we procure, particularly in key product categories within our ICMALL operations, could adversely affect our cost structure and gross profit margin, and any significant disruption in our supply chain may adversely affect our product availability, pricing and margins.

Our ICMALL business is subject to market competition, pricing pressure and changes in consumer demand. We may need to adjust our pricing strategies or offer promotions to remain competitive, which may negatively affect our margins. Our business also exposes us to risk of delayed payment, partial or total default by counterparties, merchants or customers, particularly in periods of economic uncertainty or industry downturns. Failure to effectively assess creditworthiness, enforce payment terms or recover outstanding receivables may adversely affect our profitability.

Further, our success depends on positive brand reputation. Our brand is one of the most important assets in attracting visitors and building customer trust, which relies on accurate communication of brand messages. Failure to manage any of the above or distinguish us from other market players may undermine our value and recognition. Any negative publicity, complaints, disputes, perceived decline in service quality, product quality issues or regulatory non-compliance, whether substantiated or not, may damage our brand and reputation. These events may cause reduced market confidence and difficulties in attracting or retaining third-party collaborations.

The success of our digital trade service platforms depends on sustained user utilization and transaction activity, and failure to maintain platform traffic and monetize user participation may adversely affect our business prospects.

As an online extension of our physical marketplaces, *Chinagoods* and other forms of trade service platforms enable merchants to present products, connect with buyers and generate trade leads, thereby facilitating the initiation and matching of transactions. The long-term success of *Chinagoods* depends on our ability to facilitate merchant-buyer transactions in our physical marketplace and to generate value from add-on services we provide on *Chinagoods*. As such, *Chinagoods* presents certain operational and financial risks.

Since our product display and trade matching are products our merchants sell in physical marketplaces, our performance depends on merchants' willing to interact and present their products. Whether displayed products ultimately lead to successful transactions largely depends on many factors outside our control, including pricing, fulfillment capacities, qualities of products sold offline, responsiveness to customer inquiries and buyers' purchasing decisions. While we facilitate merchant-buyer interactions through advertising, we cannot guarantee that product displays may convert to transactions. If merchants perceive diminished values from our platform, they may cease to utilize our platform or pay subscription fees, which may adversely affect our financial performance and results of operations.

Chinagoods also coordinates trade services such as warehousing and trade-related financial services. In addition, we offer value-added services, such as traffic acquisition, to certain merchants. Whether these services create monetary value or increased foot traffic in physical marketplaces may partially determine merchants' stickiness to *Chinagoods*, attractiveness of these services is determined by our ability to understand merchant demands and timely upgrade existing services. If services provided do not tailor to merchants' demand or attract buyers, merchants may cease the use of these services, which may reduce activities on *Chinagoods* and our attractiveness to merchants and buyers.

Our AI-enabled features and other technologies used in our platform may not deliver expected benefits. We also rely on technologies from third parties and thus may be exposed to regulatory, reputational and intellectual property risks.

We have integrated AI-enabled features and other technologies into our operations. On *Chinagoods*, we feature functions such as AI-Powered Independent Website, *Chinagoods* AI Assistant, *Chinagoods* AI translator, *Chinagoods* AI Business Cards, *Chinagoods* AI Design and *Chinagoods* Visual Generation that diversify merchants' promotional efforts while optimizing their functionality and efficiency. However, developing and deploying technologies have inherent uncertainties. AI and related technologies are subject to human error, bias, data quality, data range, surge in user traffic and rapid technological evolution. These uncertainties may cause misuse of our AI features. If our AI and technologies do not perform as expected or we fail to invest and upgrade over time, our online platform may become obsolete and adversely affect our business and financial performance.

We also rely on technologies provided by third parties, including server maintenance and video and image processing, over whom we have limited control. Any interruption, degradation or termination of such third-party technologies, or any failure by third-party vendors to comply with applicable laws or contractual obligations, could adversely affect our platform. The use of AI-enabled features and third-party technologies may also expose us to evolving regulatory requirements on data collection and processing, reputational risks and intellectual property claims. If we are required to modify, suspend or discontinue certain technologies or incur additional compliance or remediation costs, our business, results of operations and prospects may be materially and adversely affected.

Our payment, credit information and factoring-related services expose us to compliance and credit risks, and any failure to manage such risks may result in losses, penalties or reputational damage.

To ease our merchants' burden in working capital and settlement challenges and support the smooth completion of transactions, we provide trade-related financial services that include payment, credit reporting and factoring services. The regulatory landscape governing these services is complex and evolving, and we are required to obtain respective licenses and registration for these businesses and subject to regulatory oversights. See "Regulatory Overview — Laws and Regulations Related to Payment Services of Non-Bank Payment Institution, — Regulations Related to Credit Reporting Business and — Regulations Related to Commercial Factoring." During the Track Record Period, we received certain administrative penalties pertaining to our payment solutions. We have paid fines and strengthened internal control. See "Business — Legal Proceedings and Compliance — Compliance." Regulators may introduce new laws, regulations or requirements, which could impose additional compliance requirements or restrict certain aspects of our business operations. Any failure or perceived failure to comply with applicable laws and regulations, or any delay in obtaining, maintaining or renewing required permits or licenses, may result in fines, penalties, suspension of operations or other regulatory actions.

Yiwu Pay primarily offers cross-border payment services for merchants in our marketplaces. In facilitating these transactions, we are exposed to risks inherent in payment processing and financial services. We rely on the validity of our licenses, stability and security of our payment systems and related infrastructure. We are also required to comply with foreign exchange regulations, anti-fraud, anti-money laundering, counterterrorism and data protection from Chinese mainland as well as jurisdictions where we hold licenses and counterparties to our cross-border settlements. See "Regulatory Overview — Law and Regulations Related to Payment Services of Non-Bank Payment Institutions." Our settlement further depends on clearing agencies, who we do not have control of. Any system failures, processing errors or service interruptions may delay or fail our settlement, causing financial losses to buyers and merchants. Failure to maintain required licenses and effectively manage internal controls may divert our management's attention and adversely affect our reputation, business scope and financial performance. Such non-compliance incidents expose us to regulatory scrutiny, potential penalties and reputational harm, which may adversely affect our business operations, financial condition and business prospects if similar issues recur.

As a credit reporting institution registered in the PBOC Zhejiang Branch, our business scope is subject to strict regulations and we have a reporting obligations to national regulators. See "Regulatory Overview — Regulations Related to Credit Reporting Business." Failure to register with regulators may disqualify our business. During our services, we may also process and handle users' data from local government. Any failure to adequately safeguard such data, or any unauthorized access, misuse or leakage of sensitive information, may expose us to legal liabilities, regulatory sanctions and reputational damage. Further, local branches rely on our credit reporting in evaluating enterprises' repayment ability and grant loans. If we provide information that does not accurately reflect enterprises' operational capacity, banks may reject financing, thereby hindering enterprises' business sustainability. Offering inaccurate information may damage our reputation and face regulatory scrutiny, putting our credit reporting business in peril.

We provide factoring services by purchasing eligible accounts receivable from merchants arising from genuine and lawful underlying transactions. We are subject to strict regulations limiting our business scopes. See "Regulatory Overview — Regulations Related to Commercial Factoring." If we engaged in prohibited businesses as outlined by regulators, we may be disqualified from providing factoring services and may be subject to legal proceedings. Our ability to collect trade and notes receivables depends on the creditworthiness and payment capacity of account debtors and authenticity and legality of the underlying receivables. Any deterioration of debtors' credit worthiness as well as their delay in repayment and our failure to collect receivables may adversely affect our asset quality and financial performance. Failure in repayment may also slow down our receivable turnover, extend our cash conversion period and reduce operating cash inflows, thereby increasing our liquidity needs. In addition, our factoring applicants are concentrated amongst Yiwu-based merchants. We are thus volatile to changes in Yiwu's international trade businesses, leading to reduced asset turnover and fluctuation in our incomes. Any of the risks above may adversely affect our results of operation and financial performance.

Our warehousing services are subject to risks relating to service and operational reliability and third-party coordination, and any service disruption may adversely affect customer satisfaction and results of operations.

We provide warehousing services that support inventory preparation within our ecosystem, including storage, rental, sorting, labeling, and loading/unloading. The quality and reliability of such services are critical to maintaining efficient transaction flows and customer satisfaction. However, our warehousing operations are subject to various operational risks, including delays in order processing, inventory inaccuracies, system failures, capacity constraints, and disruptions at our warehouse facilities, any of which could lead to increased returns, customer disputes, and potential liability claims, and if such issues persist or become frequent, our ecosystem's overall reliability and competitiveness could be materially harmed.

We also coordinate and assist in logistics such as domestic and cross-border delivery and transportation through our associate Zhijie Yuangang. As we may be part of cross-border delivery, we may face uncertainties in customs clearance procedures and other trade policies that may drive up our prices, lead to longer delivery times or order cancellations, which may adversely affect our business and results of operations.

Our exhibition and convention business is sensitive to industry cycles, customer participation and macroeconomic conditions, and any decline in demand or scale of exhibitions may adversely affect our results of operations.

Our exhibition and convention business generates revenue through venue rental and participation fees. The performance of our exhibition and convention business depends on timing and frequency of industry fairs, exhibitors and visitors' participation, import/export restrictions and market acceptance of local and import products. Demand and requests for exhibition and conventions services from third parties may fluctuate due to industry perception on exhibition and convention, available products and goods, marketing and promotional budgets and the financial condition and strategic focus of participating enterprises. Adverse economic conditions, public perceptions on local and import products and geopolitical uncertainties may reduce and deter customer and enterprise participation and willingness to purchase products on display. These factors may eventually force us to downsize or cancel scheduled exhibitions and conventions.

Customer and enterprise participation in our exhibition and convention is also influenced by competition from alternative exhibitions and online channels and the attractiveness and thematic focus of our exhibitions and conventions. Customers may expect us to offer themes tailored to new industries, diversify the size of enterprises participating and provide sufficient customer support that include transportation, translation and accessibility services. Failure to offer those services may put us at a competitive disadvantage, making us unable to attract and retain visitors and enterprises and in turn adversely affect our financial conditions and results of operations.

Our hospitality and ancillary catering services are subject to premises safety, food safety, quality control and other operational risks.

The performance of our hospitality and ancillary catering services depends on our ability to maintain safe and compliant operating environments, consistent service quality, competitive pricing and effective cost control. Demand for our hospitality and ancillary catering services is closely linked to visitor flow around our marketplaces, commercial activity and customer confidence. Any decline in occupancy rates or consumer demand, whether due to safety concerns, public health incidents, service quality issues, competition or rising operating costs, may exert downward pressure on revenue and profitability.

Our hospitality and ancillary catering services are also exposed to safety, public health and food-related risks, including fire accidents, sanitation failures, food contamination or infectious disease outbreaks. Our ancillary catering services are subject to stringent regulatory requirements relating to food operation permits, health and sanitation and food safety, while our hospitality services require ongoing compliance with safety inspections and licensing obligations. Any failure to obtain, renew or comply with such requirements, or any safety or food-related incident, may result in regulatory action, suspension of operations, reputational damage and reduced customer confidence.

In addition, we engage third parties such as third party stalls in day-to-day operations, while we supervise them and impose universal service standards. Any misconduct, non-compliance or service deficiency by such third parties may, by association, expose us to reputational harm, regulatory scrutiny and financial losses. If we are unable to effectively manage safety and quality standards, oversee third-party operators or mitigate rising operating and compliance costs, our business, financial condition and results of operations could be materially and adversely affected.

Our business involves asset-heavy operations and ongoing maintenance and development investments. Any ineffective management of properties, failure to obtain requisite approvals, delays in development or changes government policies and regulatory measures that affect the growth of the PRC real estate market may materially and adversely affect our business operations.

Our business is underpinned by extensive physical assets and infrastructure, and a significant portion of our operations is conducted through the ownership, development, operation and management of large-scale physical properties. Our property-related activities comprise both (i) properties that we develop and continue to operate and manage on an ongoing basis, and (ii) properties that we develop primarily for sale. The capital-intensive nature of these assets exposes us to a range of operational, financial and regulatory risks.

For fixed assets that we develop and operate, including our physical marketplaces, warehousing facilities, hotels, exhibition venues and certain commercial and residential supporting facilities, our performance depends on our ability to maintain high occupancy and utilization rates, preserve the quality and functionality of our facilities and manage operating costs effectively. These properties require continuous expenditures for routine maintenance, renovation, safety compliance and functional upgrades to remain attractive to merchants, visitors and other users. Any failure to manage these assets efficiently, including deficiencies in facility condition, safety management or service quality, could lead to reduced merchant demand, lower rental or service income, operational disruptions or increased maintenance expenses. Given the long-term nature of these assets, any sustained underperformance or decline in utilization could have an negative impact on our operating results and cash flows.

For facilities that we develop primarily for sale, such as office buildings and commercial street within the Global Digital Trade Center, our ability to realize expected returns depends on market demand, pricing conditions and the pace of sales and cash collection. These activities are subject to uncertainties relating to buyer sentiment, broader economic conditions and the PRC real estate market cycle. Any slowdown in sales, failure to achieve expected pricing levels or delays in cash recovery could adversely affect our liquidity, cash flow profile and overall financial performance.

In addition, both our self-operated and sale-oriented development activities are subject to comprehensive regulatory oversight in the PRC. We are required to obtain various approvals, licenses and permits in connection with land use, construction planning, environmental protection, fire safety, completion acceptance and, where applicable, pre-sale or sale of developed properties. We cannot guarantee that we will be able to obtain all requisite approvals in a timely manner, or at all. Any delay in obtaining, or failure to obtain, required approvals, or any determination by regulatory authorities that we are not in compliance with applicable requirements, could result in construction delays, suspension of development, increased costs, administrative penalties or restrictions on operation or sale of the relevant properties.

Our trade service ecosystem relies on information systems and digital infrastructure, and any system failure, interruption or data security incident may adversely affect our operations and reputation.

The effective operation of our trade ecosystem depends on the stable and reliable performance of our information systems and digital infrastructure. These systems support a wide range of core functions across our business, including marketplace operations, *Chinagoods* operations, warehousing and logistics coordination, payment and settlement processes, customer and merchant onboarding, data management, internal operations and management decision making. In addition, certain of our services integrate online and offline operations, requiring continuous and coordinated system availability.

Our information systems and digital infrastructure are subject to risks of failure, service interruption, degradation of performance or security breaches. Such incidents may arise from various causes, including hardware or software malfunctions, system capacity constraints, human error, power outages, natural disasters, cyber-attacks, malware, ransomware, unauthorized access, third-party service failures or deficiencies in system maintenance, upgrades or disaster recovery arrangements. As our business scale and transaction volumes grow, the complexity and performance demands placed on our systems also increase, which may heighten the risk of system instability or operational disruption.

Any material failure, interruption or delay in the operation of our information systems could disrupt market activities, impair transaction processing, delay logistics coordination or payment settlement, adversely affect merchants' and customers' experience and result in loss of data, revenue or business opportunities. Such disruptions may also increase our operating costs through remedial measures, system restoration, alternative service arrangements or compensation to affected parties. In serious cases, prolonged system outages or repeated service failures could undermine confidence in the reliability of our trade ecosystem and weaken our competitive position.

In addition, certain of our information systems and digital infrastructure are supported by third-party service providers, including cloud service providers and technology vendors. We may have limited control over the performance or security practices of such third parties. Any failure, interruption or security incident involving third-party systems on which we rely could adversely affect our operations, even if such incident is outside our direct control.

We may not be able to sustain our historical growth rates, and our historical growth may not be indicative of our future performance.

We have experienced business growth during the Track Record Period, driven by factors such as the expansion and upgrading of our physical marketplaces, increased adoption of trade-related services, enhancement of our digital platforms, favorable market conditions and supportive policy and economic environments. Our revenue increased by 37.2% from RMB11,280.8 million in 2023 to RMB15,474.9 million in 2024, and further increased by 27.4% to RMB19,707.4 million in 2025. Our net profit increased by 14.8% from RMB2,681.4 million in 2023 to RMB3,078.2 million in 2024, and further increased by 37.0% to RMB4,215.7 million in 2025. Our historical performance, however, may not be indicative of our future results. The sustainability of our growth depends on multiple factors, many of which are beyond our control. These factors include, among others, overall macroeconomic conditions, trends in domestic and international trade, demand from merchants and buyers, competitive dynamics, regulatory developments, changes in cross-border trade policies and restrictions, supply chain stability, the pace of digital transformation in the trade sector and changes in customer preferences and behavior. Any adverse developments in these areas could slow the growth of our trading volumes, service adoption rates or revenue.

Furthermore, our future growth may require successful execution of expansion plans, continued capital investment and effective management of increasingly complex operations. Any delays, inefficiencies or difficulties in implementing such initiatives, or any failure to identify and capitalize on new growth opportunities, could adversely affect our growth prospects. There can also be no assurance that new initiatives or investments will achieve expected returns or contribute meaningfully to our future results. We may also encounter unforeseen difficulties in operations. Failure to address these risks and challenges may affect our business and financial performance. You should therefore not rely on our historical growth as indication of our future performance.

Overseas operations and our global expansion plan may subject us to a number of economic, political, regulatory, operational and management risks.

We are expanding our business into Europe, Southeast Asia, Central Asia and other regions. Operating in multiple jurisdictions exposes us to a wide range of economic, political, regulatory, operational and management risks inherent in cross-border business activities.

We face risks and challenges in serving overseas customers, future overseas operations and competing in international markets, including: (i) our ability to effectively manage our employees in different business environments; (ii) our ability to develop and maintain relationships with customers, suppliers and other local business; (iii) compliance with product safety requirements and standards that are different among the jurisdictions where we operate; (iv) variations and changes in laws applicable to our operations in different jurisdictions, including enforceability of intellectual property and contract rights; (v) customs regulations and the import and export of goods and raw materials; (vi) the ability to provide sufficient levels of technical support in different locations; (vii) our ability to obtain and renew licenses that may be needed in various jurisdictions to support operations; and (viii) our ability to obtain and maintain the necessary government approvals for outbound investment as required under applicable PRC laws, and such compliance in the past or future may be subject to investigation by PRC authorities. If any of these risks later materializes and we have failed to anticipate and effectively manage them, we may suffer a material adverse effect on our business and results of operations.

Fluctuations in foreign exchange rates may adversely impact our operating profits, and our hedging strategies may not fully mitigate such risks.

We are exposed to foreign exchange risks arising from cross-border trading activities, including services and transactions denominated in currencies other than Renminbi, such as Hong Kong dollars, U.S. dollars and Euro. Fluctuations in exchange rates may adversely affect our revenues, costs, operating margins, cash flows and the Renminbi-equivalent value of our foreign-currency-denominated assets and liabilities, and may also influence the trading activities and demand of our merchants and customers. We recorded net foreign exchange losses of RMB85.0 thousand in 2025. The value of the Renminbi is influenced by multiple factors, including market supply and demand, macroeconomic conditions and regulatory developments. It is difficult to predict how these factors may impact the exchange rate of the Renminbi against other currencies in the future. Any significant appreciation or depreciation of the Renminbi could increase the cost of, or reduce the Renminbi equivalent value of revenues derived from, cross-border trade-related activities conducted through our ecosystem, and may adversely affect demand, transaction activity and our results of operations.

In addition, the PRC government and relevant regulatory authorities maintain control over the foreign exchange system, and adjustments to foreign exchange policies or practices may affect currency conversion, remittance and settlement. Changes in foreign exchange regulations or practices could further increase our exposure to exchange rate fluctuations or limit our ability to manage such risks effectively.

Changes in international trade policies, geopolitics and trade protection measures, export control and economic or trade sanctions may materially and adversely affect our business, financial condition and results of operations.

Our international trade operations may subject us to tariffs, economic sanctions and trade restriction risks promulgated by jurisdictions where we conduct business. However, these laws and regulations are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be heightened by national security concerns or driven by political or other factors that are out of our control. We cannot predict the interpretation or implementation of government policy of any relevant sanctions authority in jurisdictions applicable to us in these countries. Therefore, such restrictions, and any future export control, sanctions laws, regulations and restrictions imposed by these relevant sanctions authorities may be difficult or costly to comply with, and may materially and adversely affect our established trade relationships and supply chain. For details, see "Business — U.S. Sanctions and Export Control Implications."

The United States has strengthened its export control restrictions on China by implementing enhancements to the Export Administration Regulations ("**EAR**") administered by the Bureau of Industry and Security ("**BIS**") under the Department of Commerce. Under the EAR, a non-U.S.-produced item is subject to the EAR if it incorporates or bundles U.S.-origin controlled items valued at a certain ratio or utilizes certain U.S.-controlled software or technologies during the production process.

The BIS maintains the Entity List, a catalog of individuals and entities subject to specific licensing requirements for the export, re-export, or transfer of certain products and technology subject to the EAR. In recent years, BIS has added numerous Chinese entities to the Entity List, including certain of our customers and suppliers. We cannot guarantee that our business operation is free of enforcement risks. Governmental agencies have absolute discretion to determine any our past, current and future business being a violation of any sanctions. export controls or other trade restriction.

U.S. or other jurisdictions may impose further restrictions on import/export control, potentially expanding the scope in include goods or products that we procure or sell. Such changes may increase our procurement costs and limit our procurement channels. As of the Latest Practicable Date, the U.S. impose a temporary 10 percent ad valorem import surcharge for a 150-day period on goods imported into the United States, effective February 24, 2026, with certain exceptions. The U.S. also impose additional tariffs under Section 301 depending on the nature of goods, subject to periodic reviews. United States continues to assess the tariff rates it will impose on other jurisdictions, which might impact our business or financial performance. These policies have adversely affected the global economy and financial markets. As relevant policies are rapidly evolving, it may be difficult to evaluate their potential future impacts.

The U.S. government has also issued a final rule imposing restrictions on U.S. outbound investment in Chinese companies engaged in certain activities involving specified sensitive technologies and issued a broadly worded "America First Trade Policy" and an "America First Investment Policy" that seek to further restrict U.S. investments involving China (including possibly expanding technologies subject to investment restrictions and narrowing related exceptions (including those related to publicly traded securities)). On December 18, 2025, the U.S. enacted the Comprehensive Outbound Investment National Security Act of 2025 (the "**COINS Act**") as part of the National Defense Authorization Act for Fiscal Year 2026. The COINS Act will supersede the above-mentioned final rule following the adoption of implementing regulations, the content of which is uncertain. If we were to be deemed a Covered Foreign Person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital, especially from U.S. [REDACTED], in the future may be negatively affected.

In addition, we may be subject to future enforcement action with respect to compliance with governmental economic sanctions and export controls laws that result in penalties and costs that could have a material effect on our business and operating results. The enforcement and implementation of trade restrictions that may affect our business operation could be sudden, and the impact could be out of our control to mitigate. We cannot guarantee that [REDACTED] who are subject to the jurisdictions of the U.S., the European Union, the United Kingdom, Australia and/or other jurisdictions will be willing to make [REDACTED], or may be requested to divest their [REDACTED], in us, which may have an adverse impact on the [REDACTED] and the future prevailing [REDACTED] of our H Shares. If any of our customers or suppliers becomes subject to sanctions or export control restrictions in the future, we may have to discontinue our business with such customers or suppliers due to potential sanctions and export controls liability risks. In such events, our financial results may be materially and adversely affected.

Geopolitical tensions such as wars could reduce levels of international trade, investment, technological exchange and other activities. These factors may de-stabilize global financial markets and in turn adversely affect us and our merchants and business partners. Trade restriction measures, while imposed on us, may influence foreign perception of PRC, thereby negatively affect our product marketability overseas.

Our current and future cooperation and strategic partnership may fall short of expectations or take longer than expected to materialize.

We have entered into, and may continue to pursue, cooperations and strategic partnerships with various third parties in connection with our trade ecosystem, including those in logistics and cross-border e-commerce industries. To expand our footprint, we may continue pursuing investment opportunities and may continue evaluating and establishing potential strategic partnerships with appropriate partners. However, we may realize the anticipated benefits from these partnerships, or these benefits may not reflect in our operational results in short-term. The success of these cooperations and partnerships depends on various factors, many of which are beyond our control, including the performance, financial condition, strategic priorities and operational capabilities of our partners, the alignment of interests between the parties, market conditions and regulatory developments. Differences in business strategies, management approaches, corporate cultures or risk tolerance may also limit the effectiveness of collaboration. Further, cooperations and partnerships may require significant time, management attention and resources to implement, and may involve integration or coordination challenges. If such arrangements are delayed, fail to perform as expected, are modified or terminated, or do not generate commensurate returns, our growth prospects, operating efficiency and results of operations could be adversely affected.

Defects in the title or usage rights of certain of our owned or leased properties may expose us to challenges from third parties and adversely affect our business operations and financial condition.

Our ability to obtain good title and usage rights for our owned and leased properties are critical in managing and continuing our operations. As of the Latest Practicable Date, we had not obtained the building ownership certificate for the buildings erected on the Huangyuan Market and Shangcheng Hotel due to historical reasons. See "Business — Properties — Owned Properties." We are actively engaging with the relevant authorities to seek a practicable solution and to advance the application process for the building ownership certificate. However, there can be no assurance that we will be able to obtain the building ownership certificate within a specific timeframe, or at all. In the event that regulatory authorities require additional procedures, impose restrictions on use, or request rectification measures that are time consuming or costly, our operations of Huangyuan Market and Shangcheng Hotel may be disrupted, and we may be forced to relocate. Relocation could involve expenses related to finding and securing new premises, moving equipment and personnel and potential downtime during the transition. Further, the absence of a building ownership certificate may limit our ability to mortgage, transfer, dispose of or otherwise realize the value of the property on commercially favorable terms, and may reduce our flexibility in financing or restructuring the relevant assets. Any of the foregoing event would result in a material adverse effect on our business operations and financial condition.

In addition, as of the Latest Practicable Date, we had not registered the lease agreement regarding one major leased property. See "Business — Properties — Leased Properties." As advised by our PRC Legal Advisor, failure to complete the registration of lease agreements may lead to a fine imposed by the relevant PRC authorities if we fail to complete the registration of lease agreements within the stipulated period. We cannot assure you that we will not be subject to administrative penalties or other regulatory actions arising from such non-registration.

We may not be successful in implementing our business plans and strategies effectively, which may materially and adversely affect our business, financial condition and prospects.

Our business development strategies include expanding our trade infrastructure and establishing an industry ecosystem to consolidate our position within the international trade industry and facilitate global circulation of small commodities. See "Business — Our Strategies." These business plans and strategies are based on our assumptions of future events which may entail certain risks and are inherently subject to uncertainties. These assumptions may not be correct, which could affect the commercial viability of our business plans and strategies. As such, we cannot guarantee that our business plans and strategies will be implemented successfully as scheduled, or at all.

Delays, inefficiencies or failures in executing our business plans or strategies may result in lost market opportunities, reduced revenue, increased costs or erosion of our competitive position. Complexity of our business and the rapidly changing nature of our industry further heighten the risk if our strategic initiatives do not achieve the desired results. In particular, demand for our services may decrease if players in international trade adjust their geographic focus or reduce reliance on us. Moreover, unforeseen factors, such as adverse market conditions, difficulty in retaining qualified personnels or unexpected operational challenges, may further impede the successful implementation of our plans. Our business plans and strategies may further increase our operating costs, such as higher staff costs, and increase our cash outflows for operating and investing activities. Accordingly, if we cannot succeed in implementing our business plans and strategies, or if they do not yield ideal results, we may experience difficulties in recovering our costs and our business prospects may be materially and adversely affected.

If we cannot attract or retain our key management team or qualified personnel across diverse sectors, our business, financial condition and results of operations may be materially and adversely affected.

Hiring and retaining key management and other qualified personnel with specialized skills are critical to our business, especially as we adapt to changing customer demographics and preferences. We are in need of personnel with knowledge in domestic and overseas trade and commodity circulation and trade services. We are also in need of management personnel dedicated to our marketplace, sales and marketing personnel specialized in online social media and technical personnel, to maintain our market position and compete with new market entrants. Any departure of those key individuals could disrupt our operation, weaken our strategic execution and result in losing business opportunities. Identifying suitable replacements also requires additional time and resources. We cannot guarantee that we can find suitable replacements promptly or effectively.

We may not be able to implement our sales and marketing strategies effectively or efficiently, which may impair our ability to attract and retain customers and increase our profitability.

Our sales and marketing efforts include, among others, upfront promotion and merchant recruitment activities for newly developed or upgraded trade markets, including pre-opening marketing and opening-phase promotional campaigns and marketing and promotional expenditures associated with our services. In 2023, 2024 and 2025, our selling and marketing expenses amounted to RMB240.3 million, RMB321.4 million and RMB470.8 million, respectively, accounting for 2.1%, 2.1% and 2.4% of our revenue, respectively. However, there can be no assurance that our sales and marketing strategies will be implemented successfully or will generate the anticipated level of customer engagement, merchant participation or transaction volumes. In addition, our sales and marketing strategies may require ongoing adjustments in response to competitive pressures, technological developments and evolving industry practices, which may increase costs or reduce overall effectiveness. If our customer acquisition or retention costs increase more rapidly than expected, or if our marketing expenditures do not result in corresponding increases in revenue, our operating margins and profitability could be adversely affected.

We may from time to time become a party to litigation, other legal and contractual disputes, claims and administrative proceedings that may materially and adversely affect our business and reputation.

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 suppliers, customers, consumers, business partners and other third parties. As of the Latest Practicable Date, we were involved in one major pending litigation regarding construction fee arising from allegedly agree-upon scope of work in a construction contract. See

"Business — Legal Proceedings and Compliance — Legal Proceedings." 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 which 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 adversely affect the image of our brands and products, which may further materially and adversely affect our business.

Our business generates and processes a large amount of data, including personal data. Improper use and disclosure of these data may lead to increased compliance costs and adversely affect our business operations.

Our business operations involve the collection, use, storage, transmission and other processing of data. We have designed and implemented a series of data security policies to ensure that the collection, use, storage, transmission and disclosure of data. However, we cannot assure you that such measures will be sufficient to address current and future evolving technological threats specifically designed to gain unauthorized access to confidential information by infiltrating our systems. The processing and protection of large volumes of data also involve inherent risks.

Our computer systems may be subject to unauthorized intrusion, and our existing data protection measures may not be able to prevent all unauthorized access. The techniques used to obtain unauthorized access, disable services, degrade service performance or sabotage systems are constantly evolving and are often difficult to detect in a timely manner. Such threats may arise from human error, fraud or malicious misconduct by employees or third parties, or from accidental technological failures. Our defensive measures may not be effective in preventing all unauthorized access to, or improper use of, sensitive data. We cannot guarantee the absolute security of our systems or the data hosted on them, nor can we assure you that we will be able to prevent all external attacks, data breaches, fraudulent activities or misconduct by our employees and business partners. We may also be held liable for the misuse of personal information, such as unauthorized use for marketing purposes. Any failure to adequately implement or maintain effective internal control measures may expose us to liability, prolonged and costly litigation, and loss of revenue and reputational damage as a result of the misuse of personal information. See "Business — Data Security and Privacy."

Our business operations are subject to various data privacy and security laws, such as Data Security Law of the PRC, Cybersecurity Law of the People's republic of China and Personal Information Protection Law of the PRC. See "Regulatory Overview — Laws and Regulations Related to Cybersecurity, Personal Information Protection and Data Security." Any security breach, cyberattack, data misuse or other related incidents, as well as any failure or perceived failure to comply with data privacy and security laws, or other concerns about our practices or policies with respect to the collection, use, storage, transmission and other processing of data and cybersecurity, may damage our reputation, customer trust and expose us to potential liabilities.

Our business operations require significant capital resources on an ongoing basis and we may not be able to raise adequate capital to finance our business, which may restrict our ability to operate and grow our business.

We may require significant capital resources beyond those generated from operating activities from time to time to complement our business expansion and support our technical upgrades. In 2023, 2024 and 2025, our capital expenditures were RMB2,861.3 million, RMB1,600.2 million and RMB2,347.0 million, respectively. Actual costs may exceed our estimates due to delays, project scope changes, rising operational expenses or unforeseen technical challenges. We cannot guarantee that these investments will generate the expected returns, achieve full utilization or maintain competitiveness in a rapidly evolving market. Any underperformance or failure in executing these investments could materially and adversely affect our business, financial condition and results of operations.

We have historically relied on internal cash flow and external financing, including bank borrowings and bonds, to fund our capital needs. Availability of external funding is subject to market conditions, regulatory approvals and our operational performance, and may not be sufficient or available on favorable terms. If we are unable to secure adequate financing, we may be forced to defer, scale back or cancel planned investments, which could limit our growth, and materially affect our competitive position and prospects.

We may also require additional capital in the future to support our ongoing operations and business growth. However, we may not be able to obtain financing, whether through equity or debt, on favorable terms or at all when such funding is needed. If we raise additional capital through public or private equity offerings, the ownership interests of our existing shareholders, including [REDACTED] in this [REDACTED], could be diluted. Moreover, the newly issued securities may carry liquidation preferences or other rights that could adversely affect the interests of existing shareholders. Alternatively, if we obtain financing through debt instruments, we may be subject to restrictive covenants that limit our ability to incur additional debt, make capital expenditures or distribute dividends. A failure to secure the necessary funding when required could adversely affect our financial condition, limit our operational flexibility, and hinder the execution of our business strategies and growth plans execution of our business strategies and growth plans.

We may be unable to adequately protect or enforce our intellectual property rights or prevent unauthorized use. We may also inadvertently infringe third-party intellectual property rights, affected by claims faced by our merchant or could face claims of infringement, misappropriation or counterfeiting by third-parties, which could result in costly disputes, loss of rights or damages and adversely affect our business and financial condition.

Our business relies in part on proprietary intellectual property, including trademarks, domain names, software, systems, data, content and other intellectual property rights. We also depend on the protection of our brand, platform features and proprietary technologies to maintain our competitive position. However, we may not be able to adequately protect, enforce or defend our intellectual property rights in all jurisdictions. Our efforts to safeguard these rights may be time-consuming, costly and ultimately ineffective, and existing or future intellectual property laws and enforcement mechanisms may not provide sufficient protection against unauthorized use or infringement. Unauthorized use, imitation or misappropriation of our intellectual property by third parties could dilute the value of our brand, reduce customer trust and impair our ability to differentiate our services. In certain cases, we may be required to initiate legal or administrative proceedings to protect our intellectual property rights, which may divert management attention, result in substantial costs and expenses and may not achieve the desired outcome.

In addition, we may be exposed to claims that we have infringed, misappropriated or otherwise violated third-party intellectual property rights, whether directly or indirectly. Such claims may arise in connection with our self-operated brand operations, online platform operations, technology systems, marketing activities, content or services, or as a result of the conduct of merchants and other third parties operating within our trade ecosystem. Furthermore, certain intellectual property disputes involving merchants, including allegations of infringement or counterfeiting, may result in claims, complaints or enforcement actions against us, notwithstanding that we do not manufacture or control the underlying products. We may be required to expend significant resources to investigate, defend against or resolve such claims, including through settlement, licensing arrangements or modification of our operations or systems. Any intellectual property-related claims, whether or not ultimately successful, could result in material liabilities, damages, fines, loss of rights, reputational harm or disruption to our business operations. In addition, adverse determinations could restrict our ability to continue using certain technologies, branding or business practices, which could impair our operations and growth prospects.

Labor-related disruptions or cost increases, and any non-compliance with social insurance and housing provident fund obligations, may subject us to penalties or additional payments and adversely affect our operations and financial condition.

Maintaining stable relationship with employees is critical to our sustainable growth. During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any material labor disputes. However, we cannot guarantee that we will not encounter any major labor problems in the future. If our employees were to engage in a strike or other work stoppage, we may experience disruption of our operations and higher labor costs, which in turn adversely affect our business, financial condition and operating results. In addition, labor costs in regions where we operate have been increasing in recent years and could potentially continue to increase, which may further increase our administrative costs. Additionally, regulatory changes or enhanced employee benefits mandated by law could further increase these costs. We may be required to offer more attractive compensation packages to retain and attract qualified personnel.

Companies operating in the PRC participate in various employee benefit plans required by the government, including certain social insurance, housing provident funds and other welfare-oriented payment obligations. 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. During the Track Record Period, we engaged third-party human resource agencies to pay social insurance and housing provident funds for certain employees and did not make full contributions to the social insurance and housing provident fund with respect to some employees as required by the relevant PRC laws and regulations. See "Business — Employees — Social Insurance and Housing Provident Funds." As a result, we may be required to make additional contributions to the social insurance fund and/or housing provident fund and pay late payments and fines under PRC laws and regulations. Our PRC Legal Advisor is of the view that, assuming there are no significant changes to current PRC policies and regulations or to the enforcement and supervision requirements of local governments, and assuming no employee complaints are filed, the likelihood that we would be subject to material administrative penalties or concentrated recovery actions by the relevant authorities for our past shortfall due to our failure to provide full social insurance and housing provident fund contributions is remote. However, we cannot guarantee that we will not be subject to any order to rectify such incident, nor that there are no, or will not be any, relevant employee complaints against us. Any such order may adversely affect our reputation, financial condition and operating results.

Our insurance coverage may not be sufficient to cover all of our potential losses.

We maintain insurance policies for major daily operational risks in jurisdictions where we operate. See "Business — Insurance." Our insurance policies may not provide adequate coverage for all the risks connected to our business operations. If we were to incur substantial losses and liabilities that are not covered by our insurance policies, we may be required to bear our losses to the extent that our insurance coverage is insufficient. As a result, we may suffer significant costs, which may materially and adversely affect our business, results of operations and financial condition.

The loss of or a reduction in government grants and any preferential tax treatments may adversely affect our business, financial condition and results of operations.

During the Track Record Period, we received certain government grants according to relevant policies. We also have benefited from several preferential tax treatments during the Track Record Period. In 2023, 2024 and 2025, our government grants amounted to RMB32.2 million, RMB44.8 million and RMB57.3 million, respectively. See "Financial Information — Description of Major Components of Our Results of Operations — Other Income." The government grants and preferential tax treatments we and our subsidies received during the Track Record Period represented various forms of incentives and subsidies granted to us by local government authorities in the PRC. They were mainly non-recurring in nature, and the amounts of these grants and treatments were subject to the discretion of local governments. Failure to obtain such government grants and preferential tax treatment in the future may adversely affect our financial condition and results of operations.

We had net current liabilities in the past, which may expose us to liquidity risk.

We had net current liabilities of RMB7,139.9 million and RMB7,835.2 million as of December 31, 2023 and 2024, respectively, and net current assets of RMB1,816.2 million as of December 31, 2025. Our net current liability positions in 2023 and 2024 were primarily attributable to substantial current liabilities, including, in particular, contract liabilities, accruals and other payables, trade payables and borrowings, which constituted a substantial portion of our current liabilities during the relevant years. Such positions may expose us to the risk of shortfalls in liquidity, in which case our ability to raise funds, obtain bank loans and declare and pay dividends will be materially and adversely affected. There is no assurance that we will not experience net current liabilities in the future. Any difficulty or failure to meet our liquidity needs may have a material adverse effect on our business, financial condition and results of operations.

Failure to fulfill our obligations in respect of contract liabilities could materially and adversely affect our results of operations, liquidity and financial position.

Our contract liabilities primarily consisted of advance payments (excluding output VAT) received from customers while the underlying goods and/or services are yet to be provided. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB4,439.9 million, RMB5,933.0 million and RMB12,169.3 million, respectively. If we are not able to fulfill our obligations with respect to our contract liabilities, the amount of such contract liabilities would not be recognized as revenue. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

Our future strategic acquisitions or investments, if any, may not be successful, and we may not realize anticipated strategic benefits and financial returns from such transactions.

We may evaluate various strategic acquisitions or investments. Any such acquisition or investments, whether completed or in-process, face risks, including (i) increased operating expenses and cash requirements; (ii) potential additional indebtedness or contingent or unforeseen liabilities; (iii) integration of operations, intellectual property and products of an acquired brand, including difficulties associated with integrating new personnel; (iv) the diversion of our management's attention; (v) failure to integrate acquisition target due to non-compliance risk; (vi) uncertainties associated with counterparty such as regulatory approval and (vii) our inability to generate sufficient revenue from acquired brands. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expenses.

We are subject to credit risk in collecting trade and notes receivables due from customers.

As an international trade comprehensive services provider centered on the operation of Yiwu China Commodities City, we serve a large and diverse customer base across multiple business segments, including market operation services, trade services and commodity sales. Some of our customers may have varying credit profiles and payment practices. As of December 31, 2023, 2024 and 2025, our trade and notes receivables amounted to RMB592.9 million, RMB497.3 million and RMB437.8 million, respectively. Our trade and notes receivables turnover days were 13.2 days, 13.2 days and 9.1 days in 2023, 2024 and 2025, respectively. There is no assurance that all amounts due to us can be settled on time, or at all, and we are subject to credit risk in collecting trade and notes receivables due from customers. In particular, to support our business expansion and customer relationships, we may from time to time provide credit terms to certain customers and impose credit limits on them, which may increase our exposure to credit risk. In addition, changes in the macroeconomic environment, global trade conditions, industry cycles or the financial condition of our customers may affect their ability to settle outstanding receivables. Our performance, liquidity and profitability may be adversely affected if amounts due to us are not settled on time or at all. The bankruptcy or deterioration of the credit condition of any of our major customers could also materially and adversely affect our business.

We are exposed to fair value changes in our other financial assets at fair value through profit or loss ("FVPL").

Our other financial assets at FVPL during the Track Record Period mainly consisted of unlisted equity shares, private equity fund investments, wealth management products and listed equity shares at FVPL. As of December 31, 2023, 2024 and 2025, we had other financial assets at FVPL of RMB1,436.7 million, RMB1,882.2 million and RMB3,689.3 million, respectively. The fair values of our other financial assets at FVPL have been estimated using the fair value hierarchy as defined in IFRS 13, Fair Value Measurement. Factors beyond our control, including but not limited to, general economic conditions, changes in market interest rates and stability of the capital markets, can influence and cause adverse changes to the estimates we use, and thereby affect the fair value. If there is a decrease in the fair value of our other financial assets at FVPL, our results of operations and financial condition may be adversely affected.

Force majeure events, natural disasters, epidemics, acts of war or terrorism or other factors beyond our control may materially and adversely affect our business, financial condition and results of operations.

Uncertainties including natural disasters, severe weather conditions, epidemics, acts of war, terrorism, civil unrest or other force majeure events, could materially and adversely affect our business, financial condition and results of operations. Such events may disrupt our operations, including offline and online selling and promotion, product delivery, supply chain management, human resource management and customer services. These disruptions may lead to delays in product delivery, temporary suspension of operations at our marketplace and facilities or those of our suppliers, shortages of critical components, increased operating costs and reduced efficiency in coordinating with our partners and customers. In addition, epidemics or widespread health crises, such as COVID-19, SARS, Ebola or Zika, could limit the availability of our workforce, restrict travel and access to our facilities or technology infrastructure, and affect the ability of our customers and suppliers to perform their obligations. Similarly, geopolitical tensions, acts of war or terrorism could interrupt global supply chains, impede cross-border shipments, or create uncertainty in the markets we serve. Any of these events could not only delay the execution of our business plans but also adversely impact our business and financial performance.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in the economic, political or social conditions or government policies in the regions where we operate may adversely affect our business, financial condition and results of operation.

Our business, financial condition and results of operations are inherently influenced by the broader macroeconomic, geopolitical and regulatory landscapes of the jurisdictions where we operate. Adverse shifts in these environments could materially and adversely affect our performance and long-term outlook. Many governments continue to adopt or adjust policies relating to trade and commodity circulation.

Governments in the jurisdictions where we operate have implemented, and may continue to introduce, among others, various policies and measures to encourage economic growth and guide the allocation of resources, including industrial upgrading, technology development, foreign investment, cross-border trade and resource distribution, and such measures may introduce uncertainties to our operating environment. Our business is also exposed to fluctuations in global and local economic cycles, monetary and fiscal policies, inflationary pressures, interest rate changes, labor market conditions, consumer sentiment and other macroeconomic forces. Heightened geopolitical tensions, evolving trade policies, export control measures and sanctions regimes may also reshape supply chains and disrupt cross-border business activities. We cannot guarantee that we will be free from risks related to current economic, political or social conditions and many of these risks are beyond our control. All these risks may materially and adversely affect our business, financial condition and result of operation.

Our business is subject to extensive and evolving regulatory requirements, and any failure to comply with evolving laws, regulations or licensing requirements may adversely affect our business.

Our business, including market operation, payment, credit reporting and factoring services, hospitality services and ancillary facility development and sale, is highly regulated. See "Regulatory Overview." New laws, regulations or regulatory requirements may be promulgated, and existing laws and regulations may be amended or clarified. We may be required to obtain additional approvals, licenses or filings, adjust our business practices, enhance compliance systems, incur additional compliance costs or suspend or modify certain business activities in order to remain compliant. Any failure to comply with applicable laws, regulations or licensing requirements, or any failure to timely obtain, maintain or renew requisite approvals, permits or licenses, may result in warnings, rectification orders, administrative penalties, fines or revocation of licenses or permits. In addition, we may be required to allocate significant management time and resources to regulatory compliance and remediation efforts, which could increase our operating costs and adversely affect our operating efficiency.

Certain of our PRC subsidiaries engage in business activities that may be considered to fall within sectors subject to restrictions or prohibitions on foreign investment under the Negative List. See "Regulatory Overview — Regulation Related to Internet Cultural Business and Radio and Television Program Production and Operation." Under applicable PRC laws and regulations, domestic enterprises engaging in such prohibited or restricted activities are required to obtain approval from the relevant competent authorities before offering shares and listing overseas, and foreign investors may be subject to limitations on participation in management and shareholding ratios. If we are unable to obtain the requisite approval prior to the Listing, we may need to adjust our business scope or structure or suspend certain business operations, which may adversely affect our business, financial condition and results of operations.

Foreign exchange regulations may limit our business and results of operations.

Currently, the conversion of Renminbi into foreign currency needs to comply with the relevant laws and regulations, and exchange and remittance of foreign currencies are subject to relevant foreign exchange regulations. It cannot be guaranteed that, under a certain exchange rate, we will have sufficient foreign currency to meet our demand for foreign currency. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at financial institutions within the PRC that have the license to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE or its local branch. If we fail to obtain approval from the SAFE to exchange the Renminbi into any foreign currencies for any purposes, our capital expenditure plans, businesses, results of operations and financial condition may be adversely affected. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions under certain circumstances in the future. If there are changes in the policies regarding the payment of dividends in foreign currencies or other changes in foreign exchange policies resulting in insufficient foreign exchange, we may not be able to pay dividends in foreign currencies to the holders of the H Shares and even our business may be materially and adversely affected.

You may have limited recourse in effecting service of legal process or enforcing foreign judgments against us, our Directors and our senior management.

We are a company incorporated under the PRC laws and substantially all of our assets are located in the PRC. Substantially all of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult. In addition, [REDACTED] may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions. Furthermore, although we will be subject to the Listing Rules and the Takeovers Code upon the [REDACTED] of our Shares on the Stock Exchange, the holders of Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. Moreover, the Takeovers Code does not have the force of law and provides only standards of commercial conduct considered acceptable for takeover and merger transactions and share repurchases in Hong Kong.

We are a PRC enterprise subject to PRC tax on our global income. Any gains on the sales of our H Shares by [REDACTED] and dividends paid to [REDACTED] on our H Shares may be subject to PRC tax.

Under the PRC 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.

Under the PRC Individual Income Tax Law (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within Chinese mainland paid to foreign individual investors who are not Chinese mainland residents are generally subject to a Chinese mainland withholding tax at a rate of 20% and gains from Chinese mainland sources realized by such investors on the transfer of shares are generally subject to a 20% Chinese mainland income tax rate, in each case, subject to any reduction or exemption set forth in applicable tax treaties and laws in Chinese mainland. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-Chinese mainland resident individual holders of H Shares are generally subject to individual income tax of Chinese mainland at the withholding tax rate of 10%, in which the non-Chinese mainland resident individual holder of H Shares resides as well as the tax arrangement between Chinese mainland and Hong Kong. Non-Chinese mainland resident individual holders who reside in jurisdictions that have not entered into tax treaties with Chinese mainland are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of Chinese mainland and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of Chinese mainland resident enterprises listed on overseas stock exchanges.

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

Payment of dividends is subject to restrictions under the applicable PRC laws.

Our ability to pay dividends is subject to restrictions under applicable PRC laws and regulations, which permit dividend distributions only out of accumulated profits determined in accordance with PRC accounting standards and require PRC companies to set aside a portion of after-tax profits as statutory reserves that are not distributable as cash dividends. In addition, dividends may not be paid if a PRC company has accumulated losses, even if it is profitable in the current period. As a result of these restrictions, we may not be able to declare or pay dividends, or may be required to limit or delay dividend payments, even if our business generates profits and cash flows, which may adversely affect [REDACTED]' returns.

RISKS RELATING TO THE [REDACTED]

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

We are currently listed on the Shanghai Stock Exchange. Upon completion of the [REDACTED], we will be required to comply with the listing rules and other regulatory regimes of both jurisdictions, unless we obtain an exemption or a waiver. Accordingly, we may incur additional costs and resources in complying with both sets of [REDACTED] in PRC and Hong Kong.

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

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

There has been no prior public market for our H Shares, and an active [REDACTED] for our H Shares may not develop or be sustained.

No public market currently exists for our H Shares. The initial [REDACTED] for our H Shares to the public will be the result of our negotiations with the [REDACTED] (for itself and on behalf of the [REDACTED]) and the [REDACTED] may differ significantly from the [REDACTED] of the H Shares following the [REDACTED]. We have applied to the Stock Exchange for [REDACTED] of, and permission to [REDACTED], our [REDACTED]. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our H Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the H Shares will not decline following the [REDACTED].

You should not rely on any information released by us in connection with the listing of our A Shares on the Shanghai Stock Exchange.

As our A Shares are listed on the Shanghai Stock Exchange, we have been subject to periodic reporting and other information disclosure requirements in Chinese mainland. As a result, from time to time, we publicly release information relating to us on the Shanghai Stock Exchange or other media outlets designated by the CSRC. However, the information announced by us in connection with our A Shares listing is based on the regulatory requirements of the securities authorities, industry standards and market practices Chinese mainland, which are different from those applicable to the [REDACTED]. The presentation of financial and operational information for the Track Record Period disclosed on the Shanghai Stock Exchange or other media outlets may not be directly comparable to the financial and operational information contained in this Document. As a result, prospective [REDACTED] in our H Shares should be reminded that, in making their [REDACTED] decisions as to whether to [REDACTED] our H Shares, they should rely only on the financial, operating and other information included in this Document. By applying to [REDACTED] our H Shares 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 and any formal announcements made by us in Hong Kong with respect to the [REDACTED].

Our Controlling Shareholders' interests may not be aligned with the interests of other shareholders.

Immediately following completion of the [REDACTED] and assuming the [REDACTED] is not exercised, our Controlling Shareholders will hold over [REDACTED]% of the issued share capital of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares in the course of a sale of our Company and might reduce the [REDACTED] our H Shares. The aforementioned potential 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 their 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.

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

The [REDACTED] volume of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions for securities in Hong Kong and elsewhere in the world. The Hong Kong Stock Exchange and other securities markets have, from time to time, experienced significant [REDACTED] volume volatility that are not related to the operating performance of any particular company. The business and performance and the [REDACTED] of the shares of other companies engaging in similar business may also affect the [REDACTED] volume of our Shares. In addition to market and industry factors, [REDACTED] volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, [REDACTED], expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, the shares of other companies listed on the Hong Kong Stock Exchange have experienced price volatility in the past, and the [REDACTED] our H Shares may change that is not directly related to our performance.

You may experience further dilution in the future.

The [REDACTED] of the [REDACTED] is higher than the net tangible asset value per H Share immediately prior to the [REDACTED]. Therefore, purchasers of the [REDACTED] in the [REDACTED] will experience an immediate dilution in [REDACTED] consolidated net tangible asset value. There can be no assurance that if we were to immediately liquidate after the [REDACTED], any assets would be distributed to Shareholders after the creditors' claims. To expand our business, we may consider [REDACTED] and issuing additional Shares in the future. Purchasers of the [REDACTED] may experience dilution in the net tangible asset value per Share of their H Shares if we issue additional Shares in the future at a price that is lower than the net tangible asset value per Share at that time.

We cannot guarantee that we will declare and distribute any amount of dividends in the future and you may rely on price appreciation of our Shares for a return on your [REDACTED].

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

Future sales or perceived sales of substantial amount of our Shares in the public market could materially and adversely affect the prevailing [REDACTED] of our Shares.

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

Since there will be a period of time between the [REDACTED] and the commencement of [REDACTED] of our H Shares, holders of our H Shares are subject to the risk that the [REDACTED] our H Shares could fall before [REDACTED] in our H Shares on the Hong Kong Stock Exchange commences.

The initial [REDACTED] of our H Shares [REDACTED] to the public in the [REDACTED] is expected to be determined on the [REDACTED]. However, [REDACTED] in our H Shares on the Stock Exchange will not commence until the H Shares are delivered, which is expected to be two Business Days after the [REDACTED]. As a result, [REDACTED] may not be able to sell or otherwise dispose of their H Shares during this period. Accordingly, holders of our H Shares are subject to the risk that the [REDACTED] of our H Shares when [REDACTED] commence on the Stock Exchange could be lower than the [REDACTED] as a result of adverse market conditions or other adverse developments that may occur between the time when the [REDACTED] is determined and the time when [REDACTED] in our H Shares begin.

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

This Document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and, as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this Document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from government publications contained in this Document.

Certain facts, forecast and 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 taken reasonable care in the reproduction or extraction of the official government publications for the purpose of disclosure in this Document. However, the information from the official government sources were not prepared or independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any of their respective affiliates or advisors, and, therefore, we make no representation as to the accuracy of such facts, forecast and statistics, which may not be consistent with other information compiled within or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such statistics in this Document may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such facts, forecast and statistics.

You should read the entire Document carefully and only rely on the information included in this Document to make your [REDACTED] decision, and we strongly caution you not to place any reliance on any information contained in press articles or other media regarding us, our H Shares or the [REDACTED].

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