RISK FACTORS

Potential [**REDACTED**] *should read and consider carefully all the information set out in this document, and, in particular, should evaluate the following risks and uncertainties before deciding to make any* [**REDACTED**] *in our H Shares. You should pay particular attention to the fact that we conduct our operations in China, the legal and regulatory environment of which in some respects may differ from that of Hong Kong. Any of the risks and uncertainties listed below could have a material adverse effect on our business, results of operations, financial condition or on the* [**REDACTED**] *price of our H Shares, and could cause you to lose all or part of your* [**REDACTED**]. *Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business and results of operations.*

Our business and operations involve certain risks and uncertainties, many of which are beyond our control. These risks can be broadly categorized into (1) risks relating to our business and industry, (2) risks relating to conducting business in China, and (3) risks relating to the [**REDACTED**].

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We face competition from existing or new market players in the industries in which we operate, and we may not compete effectively.

The markets of cross-border enterprises intelligent finance and tax management solutions in China are competitive and fragmented. According to the Frost & Sullivan Report, the top five market participants of cross-border enterprises intelligent finance and tax management solutions industry in China accounted for 4.8% of total market share in terms of revenue in 2025, with over 3,000 market players. Competition may intensify from current competitors and new market entrants with greater resources. If we are unable to anticipate or react to these competitive challenges, our competitive position could weaken, resulting in growth stagnation or revenue decline, which could materially and adversely affect our business, financial condition and results of operations.

Our competitors may develop solutions and services better received by customers, respond more quickly to new opportunities, technologies, regulations or market demands. In addition, some of our competitors may be able to leverage a larger existing customer base and sales network to adopt more aggressive pricing policies and offer more attractive sales terms. This could cause us to lose potential sales or reduce prices, materially affecting our financial condition and results of operations. Furthermore, our current and potential competitors may enter into business partnerships or alliances among themselves or with third parties that may further enhance their resources and offerings. Established companies from other market segments may also expand into our market segment. See "Business — Competition" for details. If we are unable to compete successfully against our current or potential competitors, our business, financial condition and results of operations could be materially and negatively affected.

Developments in the economic, geopolitical and social conditions, as well as government policies, could have a material adverse effect on our business and prospects.

Operating in or providing services to cross-border enterprise customers subjects us to multiple risks. The overall economic conditions in the countries or regions we connect with, influence the success of our operation. Any slowdown in the macro economy could significantly impact our business, financial condition and results of operations. Factors such as decreased consumption, liquidity constraints, interest rate volatility, and inflation have affected and will continue to affect our operations. A substantial portion of our business, assets and operations are located in China. Accordingly, developments of China's economics, political and legal environment may affect our operations, business prospects and financial conditions. China's economy has experienced significant growth, but any declines in e-commerce utilization due to changes in customer preferences, macroeconomic factors, regulatory changes, trade tensions or geopolitical instability could adversely affect our business as a significant part of our business relates to the e-commerce industry.

During the Track Record Period, the majority of our revenue was derived from our cross-border enterprises intelligent finance and tax management solutions, which is subject to regulatory and compliance risks. Revenue from our cross-border enterprises intelligent finance and tax management solutions amounted to RMB130.1 million, RMB135.3 million and RMB136.3 million, accounting for 80.7%, 78.9% and 77.5% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. The regulatory environment in China is constantly evolving, and compliance challenges could impact our operations.

We are based in China and our businesses in China are governed by PRC laws and regulations. Developments in political or social environment or government policies, including foreign affairs policies, trade barriers, or other limitations, may directly or indirectly impact our business and future expansion plans. Such developments may lead to increased costs and negatively affect our relationships with customers and partners. In addition, the perception of our Company by the governments and the public in the jurisdictions where we operate may also have a significant impact on our business. Negative public perception or government scrutiny could lead to reputational damage, loss of customers or increased regulatory scrutiny. If we are unable to successfully manage our operations, we may not be able to maintain or grow our market share, which may have a material and adverse effect on our business, financial condition, and results of operations.

Moreover, any future occurrence of force majeure events such as natural disasters, terrorism, war or outbreaks of contagious diseases may materially and adversely affect our business, financial condition and results of operations. We cannot assure you that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases will not seriously disrupt our operations or those of our partners and customers.

If we fail to improve our solutions and services to suit our customers' evolving needs and adapt to changes in relevant tax and invoice laws, we may lose our customers, which will have a material adverse effect on our business, financial condition and results of operations.

The industries in which we operate and compete are characterized by constant changes and innovation. Our success has been based on our ability to identify customer needs and design solutions that help customers comply with applicable tax and invoice laws. To achieve sustainable growth, we must continuously attract new customers, retain existing customers, and increase their spending on our solutions and services. In order to retain customers, we are required to thoroughly understand their evolving needs, launch new solutions and services, and improve existing ones in a timely manner. We also need to adapt to changes in relevant tax and invoice laws and regulations to ensure effective compliance management functions.

Our existing and future solutions or services may not sustain current popularity. Our cross-border enterprises intelligent finance and tax management solutions feature compliance functions, if these fail to properly address the issues in our customers' tax invoice, financial and taxation matters, our customers may lose confidence in our service offerings.

In addition, our customers may also demand features and capabilities that our current solutions and services lack, requiring significant R&D investment. Developing new technologies and solutions may be costly and time-consuming, potentially delaying new solutions. If we fail to correctly identify customer demands or provide value-adding solutions, customers may cease to use our solutions and services and turn to our competitors.

Our efforts to improve and expand our solutions and services may not succeed and may reduce revenue growth. Introduction of significant technology changes may not be successful, and early-stage interest in and adoption of such new solutions and services may not result in long-term success or significant revenue for us. Because our solutions operate across various network technologies, devices and platforms, we must continuously modify services to keep pace with technology changes. Failure to operate effectively with future platforms could reduce demand for our solutions.

If we fail to effectively develop and expand our sales and marketing capabilities, we may not increase our customer and user base and achieve broader market acceptance and utilization of our solutions and services.

Our ability to increase our customer base depends significantly on enhancing sales and marketing capabilities. An important component of our growth strategy is cross- and up-selling to current and future customers. If our sales force is not successful in effecting such strategy, or customers find additional solutions and services to be unnecessary or unattractive, we may not expand our customer base. We have invested, and plan to continue to invest, significant resources in expanding our direct sales force and business collaborator network. However, anticipated revenue growth may not materialize if we are unable to hire, develop, integrate, and retain talented sales personnel, or if new sales personnel fail to achieve desired productivity levels.

We invest heavily in R&D, which may negatively impact our short-term profitability and may not achieve expected results. If we fail to timely derive anticipated benefits from these R&D investments, our market competitiveness could be adversely affected.

We have allocated significant resources to R&D, with a particular focus on AI development. For the years ended December 31, 2023, 2024, and 2025, we recorded research and development expenses of RMB32.3 million, RMB34.5 million and RMB35.5 million, respectively, accounting for 20.1%, 20.1%, and 20.2% of our total revenue in the same periods, respectively. These investments may impact our short-term profitability. Our R&D efforts may require substantial upfront costs without generating corresponding revenue, which could lead to a decrease in our profitability in the short term. Furthermore, there is no guarantee that our R&D efforts will be fruitful; some may require extended development cycles or additional investment to become commercially viable. If we are unable to generate a sufficient return on our investment in R&D, our ability to attract investors and maintain our market position may be adversely affected.

Strong product development capability is the cornerstone of our competitiveness and long-term growth. However, rapid changes and intense competition in our industry require us to invest significant resources in the technology and product development, and there can be no assurance that we will continue to be successful in responding to these technological changes. New products or technologies may render our existing products or technologies less competitive. Furthermore, we formulate our R&D plan based on our prediction on technological development, production and market trends. We cannot assure you that we are able to accurately predict and assess actual changes and trends in the markets of cross-border enterprises intelligent finance and tax management solutions. Our R&D efforts may not lead to desired results and benefits as expected by us.

If we fail to derive the desired benefits from our R&D efforts, or respond efficiently to technological changes and evolving industry standards, we may not effectively serve our customer demands, and our business, financial condition and results of operations may be materially and adversely affected.

Our success depends on the growth in market acceptance for our various solutions and services. If the industries in which we operate develop more slowly than we expect, or even stagnates or shrinks, it could have a material adverse effect on our business, financial condition and results of operations.

The markets for cross-border enterprises business-finance-taxation digital solutions are in a relatively early stage in China. There is considerable uncertainty over market size and growth rate. Some target customers may be reluctant to use our solutions and services for a number of reasons, including concerns about costs, uncertainty regarding the efficacy, reliability and security of our offerings, or lack of awareness of the benefits of our solutions and services. Our ability to expand sales depends on several factors, including market awareness and acceptance, competition, technological challenges and developments, and other market factors, many of which are beyond our control. We cannot assure you that the trend of adopting and utilizing our solutions and services will continue to grow in the future.

Market expansion for financial and tax-related transaction in China depends on a number of factors, including government policies and the performance and perceived value associated with our various solutions and services. Specifically, if the relevant government authorities curtail favorable policies for enterprise digitalization, our business may be materially affected. If demand for our solutions and services decreases due to deteriorating economic conditions, decreased corporate spending, technical challenges, data security concerns, government regulations or competing technologies and solutions or services, our business, financial condition and results of operations would be materially and adversely affected.

If we fail to effectively maintain, promote and enhance our brand, or if we incur negative publicity, our business and competitive advantage may be harmed.

Maintaining and enhancing our reputation and brand recognition is critical to attracting and retaining customers. As our growth depends, in part, on positive recommendations from current and past customers, our failure to maintain and provide high-quality solutions and services, or a market perception or negative publicity that we do not maintain or provide high-quality solutions and services, may harm our reputation and impair our ability to secure new customers. Any decisions we make regarding regulatory compliance, user privacy or other issues, and any media, legislative or regulatory scrutiny of our business, or our current or former directors, employees, contractors or vendors, could negatively affect our brand image. Any factor that diminishes our reputation or that of our management, including failing to meet the expectations of our customers, or any non-compliance of our customers with respect to their tax invoice, financial and tax matters, could make it substantially more difficult for us to attract new customers. Negative publicity regarding unaffiliated businesses with similar trade names may be unfairly attributed to us. If we do not successfully maintain and enhance our reputation and brand recognition among our customers, our business may not grow and we could lose existing customers, which would harm our business, financial condition and results of operations.

Our business depends, in part, on our ability to attract new customers and retain existing customers. A decline in our customer retention and spending could materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, we generated revenue primarily from our cross-border enterprises intelligent finance and tax management solutions, which contributed 80.7%, 78.9% and 77.5% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively. Customer retention and our ability to attract new customers are vital. Customers are not obligated to renew, and we cannot assure you that customers will purchase new solutions or services. In 2025, we had approximately 24,000 paying customers. Loss or reduction of business from customers could harm our business, financial condition and results of operations.

Historical data of customer may not accurately predict their future trends. Factors affecting retention include customer satisfaction, pricing, competitor offerings, and macroeconomic conditions. If a large number of our customers do not renew subscriptions, renew on less favorable terms, or reduce spending, revenue may decline or grow more slowly than expected, and our ability to achieve and maintain profitability will be harmed.

Moreover, we must expand our customer base to increase our revenue. If our growth strategy turns out to be less effective than as expected in the future, we may not be able to achieve profitability. As our industry matures, or as competitors introduce lower-cost and/or differentiated products or services, our ability to attract new customers and retain existing ones could be impaired, and as a result, our business, financial condition and results of operations may be materially and adversely affected.

We incurred net current liabilities and net liabilities during the Track Record Period, which may continue into the foreseeable future and expose us to liquidity risk.

We recorded net current liabilities of RMB301.8 million and RMB6.0 million as of December 31, 2023 and 2024 respectively, primarily because we recorded financial liabilities at FVTPL as current liabilities. In addition, we recorded net liabilities of RMB213.1 million, as of December 31, 2023. A net current liabilities or net liabilities position can expose us to liquidity and financial risks.

We cannot guarantee that our prospective business activities or matters beyond our control will not adversely affect our working capital and lead to net current liabilities in the future. If we encounter long-term and continuous net current liabilities and/or net liabilities in the future, we may lack sufficient working capital to cover our operating costs, and our business, financial position and results of operations may be materially and adversely affected. See "Financial Information — Net Current (Liabilities)/Assets" for details.

Unsatisfactory performance of or defects in our solutions may harm our reputation, subject us to significant product liability litigations and have a material adverse effect on our business, financial condition and results of operations.

Our users and customers expect a consistent level of quality in the provision of our solutions. However, complex technological solutions such as ours often contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our solutions may contain serious errors or defects, security vulnerabilities or software issues which we are unable to successfully correct in a timely manner, which could result in revenue loss, significant expenditures, delayed market acceptance and reputational damage.

If new versions contain errors deployed to all customers, consequences would be more severe. Given that many of our customers and users use our solutions during critical business processes, any error defect, security vulnerability, service interruption or software issue related to our solutions could result in losses of our customers, subjecting us to claims for damages. Our customers and users may seek significant compensation from us for any losses they suffer or cease doing business with us. Furthermore, our customers and users may share information about their negative experiences on social media, which could damage our reputation and negatively impact our ability to attract potential customers. Provisions limiting exposure in customer agreements may not be enforceable or adequate. Even unsuccessful claims would be time-consuming and costly to defend.

Failure to fully pay social insurance and housing provident funds for and on behalf of our employees in accordance with applicable laws and regulations may materially and adversely affect our business financial position and results of operations.

In accordance with the PRC Social Insurance Law and the Regulations on the Administration of Housing Provident Fund and other relevant laws and regulations, China establishes a social insurance system and other employee benefits including basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing provident fund (collectively, the "**Employee Benefits**"). An employer shall pay the Employee Benefits for its employees in accordance with the rates provided under relevant regulations and shall withhold the social insurance and other Employee Benefits that should be assumed by the employees. As advised by our PRC Legal Advisor, an employer that has not made social insurance contributions at a rate and based on an amount prescribed by the law, or at all, may be ordered to rectify the non-compliance and pay the required contributions within a stipulated deadline and be subject to a late fee of up to 0.05% of the outstanding amount for each day of delay. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times of the amount overdue. See "Business — Employees — Social Insurance and Housing Provident Funds". We cannot assure you that the relevant government authorities will not impose late fees or fines on us. If we are otherwise subject to investigations related to non-compliance with labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our business, financial condition and results of operations may be adversely affected.

The PRC regulatory framework for data security is rapidly evolving, and we could face challenges in our continued compliance with heightened regulatory scrutiny.

The PRC regulatory framework for data security and personal information protection is rapidly evolving. We could be adversely affected if legislation or regulations in China require changes in business practices or privacy policies, or if the relevant governmental authorities in China interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition and results of operations. Key regulations include the Cybersecurity Law of the PRC (中華人民共和國網絡安全法) (effective from June 1, 2017), Data Security Law of the PRC (中華人民共和國數據安全法) (effective from September 1, 2021), and Personal Information Protection Law (中華人民共和國個人信息保護法) (effective from November 1, 2021). The Administrative Regulations of Cyber Data Security (網絡數據安全管理條例) (issued on September 24, 2024) require national security review for data processing affecting national security.

The Cybersecurity Review Measures (《網絡安全審查辦法》), effective from February 15, 2022, provide, among other things, that (i) a critical information infrastructure operator ("CIIO") shall apply for a cybersecurity review if its procurement of network products and services affects or may affect national security; and (ii) an online platform operator holding personal information of more than one million users shall apply for a cybersecurity review before seeking a listing in a foreign country. Based on our consultation with CCRC on January 10, 2025, a listing in Hong Kong does not constitute a listing in a foreign country for the purposes of Article 7 of the Cybersecurity Review Measures. As of the Latest Practicable Date, we had not received any notice from any competent protection work department identifying us as a CIIO.

The Security Assessment Measures for Outbound Data Transfer (the "Security Assessment Measures") (數據出境安全評估辦法) (effective September 1, 2022) require security assessment for cross-border personal information transfers exceeding certain thresholds. During the Track Record Period and up to the Latest Practicable Date, we had not engaged in cross-border data transfer. However, interpretation of these laws continues to evolve, and regulatory investigations or penalties may negatively affect our business.

The interpretation and application of these cybersecurity laws, regulations and standards are evolving. We cannot assure you that relevant governmental authorities will not interpret or implement the laws or regulations in ways that negatively affect us. Regulatory investigations, restrictions, penalties and sanctions, whether targeted at us or not, may negatively affect the industries we operate, existing or potential customers and our solutions and services, which may in turn have a material adverse effect on our business, financial condition and results of operations. We may become subject to additional or new laws and regulations regarding data privacy and protection in connection with the data we have access to and the data-based solutions and services we provide to customers. Complying with additional or new regulatory requirements could cause us to incur substantial costs or require us to change our business operations.

Our introduction and use of AI may not be successful and may present business, compliance, and reputational challenges which could lead to operational or reputational damage, competitive harm, legal and regulatory risk, and additional costs, any of which could adversely affect our business, financial condition, and results of operations.

We have incorporated, and expect to continue to incorporate, AI and big data capabilities in our offerings, and this incorporation of AI in our business and operations may become more significant over time. However, we may not be successful in developing these innovations or bringing them to market in a timely or effective manner. In addition, as with most emerging technologies, AI comes with its own set of risks and challenges that could affect its adoption and our business. AI comes with risks including inappropriate data practices, controversial effects on human rights, privacy, employment or other social matters, creating reputational harm or legal repercussions.

The regulatory framework on generative AI is evolving. Key regulations include the Administrative Provisions on Deep Synthesis of Internet Information Services (互聯網信息服務深度合成管理規定) (effective from January 10, 2023), According to these provisions, no organization or individual may use deep synthesis services to produce, reproduce, release or disseminate information prohibited by laws and administrative regulations, or to engage in activities prohibited by laws and administrative regulations that endanger national security and interests, damage the national image, infringe upon social public interests, disrupt the economic and social order or undermine the legitimate rights and interests of others. Additionally, the providers of deep synthesis services shall, among other things, establish and maintain management systems for algorithmic mechanism review, data security and personal information protection. On July 10, 2023, the CAC, NDRC, the Ministry of Education, the Ministry of Science and Technology, the MIIT, the Ministry of Public Security and the National Radio and Television Administration jointly published the Provisional Administrative Measures for Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法) (effective from August 15, 2023. These measures provide, among others, that any providers of generative AI services with public opinion attributes or social mobilization capabilities shall conduct security assessment in accordance with relevant regulations, and complete the filing procedures in accordance with the Administrative Provisions on Recommendation Algorithms in Internet-based Information Services). As of the Latest Practicable Date, we have submitted the required filing materials for generative/synthetic algorithms and the application is currently under review by the relevant authorities. As of the Latest Practicable Date, we have completed the registration formalities for Generative Artificial Intelligence Service.

Notably, on March 7, 2025, the CAC, the MIIT, the Ministry of Public Security, and the National Radio and Television Administration jointly released the Measures for the Marking of AI-Generated and Synthesized Content (人工智能生成合成內容標識辦法) (the "Marking Measures") (effective from September 1, 2025). The Marking Measures aim to standardize the marking of AI-generated and synthesized content, protect the legitimate rights and interests of citizens, legal persons, and other organizations, and safeguard the public interest. Service providers are required to add explicit and implicit markings to AI-generated and synthesized content according to specific requirements. Additionally, the Compulsory National Standard Technical Specifications for Marking AI-Generated and Synthesized Content (網絡安全技術人工智能生成合成內容標識方法) has been officially approved and released by the State Administration for Market Regulation and the Standardization Administration of the People's Republic of China (GB45438-2025), and was implemented simultaneously with the Marking Measures on September 1, 2025.

However, since these laws and regulations are still relatively new and their interpretation and implementation continue to evolve, the corresponding security assessments or filing procedures shall be carried out in accordance with the applicable laws in force at the relevant time. If we are unable to comply with any new requirements or complete necessary registrations and filings in a timely manner, or at all, or if we have any dispute with any third party relating to intellectual property or data security, our reputation, business operation and financial condition may be materially and adversely affected.

We may not be able to maintain or renew all the permits, licenses, certificates and other regulatory filings required for our business.

We are subject to extensive government regulations. Any failure to obtain, renew or maintain necessary permits, licenses and certificates could disrupt our business operations. Interpretation of existing and new laws is subject to ongoing developments. We may be required to obtain additional licenses, and failure to do so could result in administrative penalties including fines and suspension of operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations.

We may not implement our growth strategies or manage our growth effectively.

Our future success depends, to a large extent, on our ability to implement our future plans. We intend to, among other things, enrich our solution functions and portfolio, expand customer base, enhance technological capabilities, and build our business ecosystem. See "Business — Strategies" and "Future Plans and Use of [**REDACTED**]" for details.

However, growth requires appropriate capital allocation implementing plans and human resources. Expansion increases business complexity, and we may encounter difficulties in developing operational controls, enhancing reporting systems, recruiting skilled personnel, retaining customer relationships, or maintaining customer satisfaction. Failure to implement growth strategies may hinder capturing new opportunities and maintaining competitive edge.

Our ability to provide high-quality customer services will affect our brand, business, financial condition and results of operations.

Our focus on customer services is critical to attracting and retaining customers. If we cannot provide effective ongoing support, ability to sell additional solutions and services to existing customers could be adversely affected, and our reputation with prospective customers or the industry could be damaged. Increased customer demand for support may increase costs. We may not be able to maintain customer satisfaction over time. Failure to provide efficient support services or if we need to hire additional support resources, potentially through third parties, our business, financial condition and results of operations could be adversely affected. Additionally, our ability to acquire new customers and users is highly dependent on our business reputation and on positive recommendations from existing customers. Any failure to maintain high-quality support, or a market perception that we do not maintain high-quality support, for our customers could materially affect our business, financial condition and results of operations.

Our business is subject to system and data security risks, and our security measures may be inadequate to address these risks, making our systems susceptible to compromise, which could materially adversely affect our business, financial condition and results of operations.

Cyberattacks, hacking, phishing, security breaches and malware continue to increase. While we have adopted security protocols, these measures may not prevent all attacks or breaches. We may not anticipate all techniques used to obtain unauthorized access. Attacks could delay or interrupt services, damage reputation, expose us to litigation and require significant resources to address.

Customers store and transmit substantial data on our cloud platforms. We cannot assure you that third parties will not succeed in their attempts to obtain unauthorized access to any confidential information relating to our customers. If security incidents, human error or other malfeasance occurs in the future cause unauthorized access or disclosure, we may be subject to regulatory enforcement actions, litigation, indemnification obligations and negative publicity, which could materially and adversely affect our reputation, business, financial condition and results of operations.

Security incidents experienced by us, or by others, such as our competitors or customers may lead to public disclosures and widespread negative publicity for us, our customers, or the transaction digitalization market generally and, causing customers to lose confidence in the security of our cloud solutions. To the extent we do not effectively address these risks, our business, financial condition and results of operations could be materially and adversely affected.

We have been, and may continue to be involved, in claims, disputes and legal proceedings in our ordinary course of business.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, breach of contract, employment disputes, and infringement of intellectual property rights. If we are unsuccessful in any claims, disputes and legal proceedings, we may be subject to substantial damages. Any claims, disputes or legal proceedings initiated by us or brought against us, with or without merit, may result in substantial costs, diversion of resources and reputational harm. See "Risk Factors — We may be subject to intellectual property infringement claims from third parties, which may materially and adversely affect our business, financial condition and results of operations."

Our employees, service providers, or any other third parties involved in our business operations may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements.

We are exposed to the risk that our employees, service providers, or any other third parties involved in our business operations may engage in fraudulent or illegal activities which could include intentional, reckless and/or negligent conducts or unauthorized activities violating laws, regulations, industry rules, or our internal policies. Misconduct could involve sensitive data, resulting in regulatory sanctions and reputational harm.

Our business is subject to anti-bribery and anti-corruption laws. While we have adopted internal controls, we cannot guarantee these will always prevent non-compliance. If employees or partners violate these laws, we may face fines, lawsuits and reputational damage.

We may be unable to identify and deter misconduct by employees or third parties in a timely manner, and precautions we take to detect and prevent these potential misconduct may not be effective in controlling unknown or unmanaged risks or losses, or protecting us from governmental investigations stemming from a failure to be in compliance with such laws or regulations, or claims or lawsuits initiated from our customers or business partners resulting from our contract breach due to such misconduct. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings and curtailment of our operations.

Any interruptions or delays in services from third parties or from our inability to adequately plan for and manage service interruptions or infrastructure capacity requirements, may impair delivery of our services, and materially and adversely affect our business and results of operations.

We rely on computer hardware purchased from, and cloud computing platforms hosted by third parties in order to deliver our solutions and services. Any damage, disruption or failure of, our systems generally, including systems of our third-party service providers, could result in interruptions in our services. In the past, we have experienced interruptions in our services, and such interruptions may occur in the future. Interruptions in our services may have a material adverse effect on our ability to retain existing customers and attract new ones, which in turn would reduce our revenue. Our business and reputation may also be harmed if our customers, or potential customers, believe that our solutions and services are unreliable.

We do not control third-party facilities, which may be vulnerable to natural disasters, power loss, telecommunications failures, break-ins or regulatory actions.

Additionally, these hardware, software, data and cloud computing services may not continue to be available to us at reasonable prices, on commercially reasonable terms, or at all. If we lose our right to use any of these services, this could significantly increase our expenses or otherwise result in delays in the delivery of our solutions and services. If the performance of such third parties proves unsatisfactory, or if any of them violate contractual obligations to us, we may need to replace such third party and/or take other remedial action, which could result in additional costs and materially and adversely affect the solutions and services we provide to our customers. Furthermore, the financial condition of our third-party providers may deteriorate over the course of our contract term with them, which may also impact the ability of such third party to provide the agreed services and have a material adverse effect on our business operations.

We may have insufficient computing resources, transmission bandwidth and storage space, which could result in disruptions and our business, financial condition and results of operations could be adversely affected.

Our operations depend on transmission bandwidth and data centers from third-party providers. There is no assurance we are adequately prepared for unexpected increases in demand. Bandwidth or data centers may become unavailable due to service outages, payment disputes, natural disasters or regulatory changes. If bandwidth providers develop competing services, they may become unwilling to sell adequate bandwidth at fair prices. Failure to augment capacity could result in service reduction or disruption, customer loss, and inability to acquire new customers.

Our intellectual property rights are critical to our success and infringement of our intellectual property right by any third party may materially and adversely affect our business, reputation, financial condition and results of operations.

Our trade secrets, trademarks, copyrights, patents, domain names and other intellectual property rights are critical to our success. We rely on, and expect to continue to rely on, a combination of confidentiality and non-compete, invention assignment and license agreements with our employees, and third parties with whom we have relationships, as well as our trademark, domain name, copyrights, trade secrets, patent rights, and other intellectual property rights to protect our brand. However, various events beyond our control may pose a threat to our intellectual property rights and our solutions and services. Effective protection is expensive and difficult. While we have taken protective measures, these may not be sufficient. Our intellectual property may be infringed, misappropriated or challenged, resulting in narrowed scope or invalid action.

If we fail to register the necessary intellectual property rights to protect our patents and trademarks, our business operations may be materially and adversely affected.

Our reliance on unpatented proprietary information and technology, such as trade secrets and confidential information, depends in part on our agreements with employees and third parties, which contain restrictions on the use and disclosure of such intellectual property. These agreements may be insufficient or breached, potentially resulting in unauthorized use or disclosure of our trade secrets and other intellectual property, including to our competitors. As a result, we could lose our crucial competitive advantage derived from such intellectual property. Significant impairments to our intellectual property rights, and limitations on our ability to assert our intellectual property rights against others, may result in a material adverse effect on our business.

We may be subject to intellectual property infringement claims from third parties, which may materially and adversely affect our business, financial condition and results of operations.

We depend on our ability to effectively develop and maintain intellectual property rights relating to our business. However, third parties may claim our business infringes their patents, copyrights or other intellectual property rights. As competition increases and litigation becomes more common in China, we face higher risk of infringement claims.

Additionally, the application and interpretation of intellectual property right laws and the procedures and standards for granting trademarks, patents, copyrights, know-how or other intellectual property rights are evolving, and we cannot assure you that courts or regulatory authorities would agree with our analysis. In January 2014, we were involved in an ongoing litigation in relation to the alleged ownership and infringement of computer software copyrights filed by Nanhua Skytech against Nanjing Skytech and us. We were added as a co-defendant as we were a subsidiary of Nanjing Skytech at the relevant time. As of the Latest Practicable Date, the lawsuit against us claiming the infringement of the eight software copyrights has not yet entered substantive hearing stage and remain pending further progress by the Supreme People's Court.

According to the claim made by Nanhua Skytech, Nanhua Skytech has requested us to cease using eight software copyrights allegedly derived from their IP, which have long ceased to be used by our Group.

Our business relies on the proper operation of our IT systems, any malfunction of which for extended periods could materially and adversely affect our business, financial condition and results of operations.

Our business relies on the proper functioning of our IT systems. We use our IT systems to retrieve and analyze operational data, assist in planning, budgeting, human resources and financial reporting. Although we did not experience any IT system breakdown during the Track Record Period, we cannot assure you that our IT systems will always operate without interruption.

Any malfunction in a particular part of our IT systems may adversely affect operations. We need to constantly upgrade systems to keep pace with growth, and may not always successfully implement new software or advanced systems as required by our business development. All of these may have a material adverse effect on our business, financial condition and results of operations.

An occurrence of a natural disaster, widespread health epidemic or other outbreaks could have a material adverse effect on our business, financial condition and results of operations.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of such a disaster or prolonged outbreak of an epidemic illness or other adverse public health developments, including but not limited to the severe acute respiratory syndrome, or SARS, the H5N1 avian flu, the human swine flu, also known as Influenza A (H1N1), or the novel coronavirus (COVID-19), could materially disrupt our business and operations.

The outbreak of COVID-19, which began in late 2019, has materially and adversely affected the global economy. During the COVID-19 pandemic, some employees were infected with the COVID-19 in December 2022, temporarily disrupting operations. Certain customers were adversely affected by the COVID-19 pandemic, and we experienced difficulty conducting marketing activities.

The occurrence of any of the foregoing or other natural or man-made disasters could cause damage or disruption to us, our employees, operations, markets, and customers, which could result in significant delays in deliveries or substantial shortages of our products and could adversely affect our business, financial condition, results of operations or prospects.

Our business depends substantially on the continuing efforts of our management and other key personnel, as well as competent employees that support our existing operations and future growth. If we fail to attract, motivate and retain talents, our operations and growth prospects may be severely disrupted.

Our future success heavily depends upon continuing services of management and key personnel, particularly our founders and senior management team. If any senior management or key personnel becomes unable or unwilling to continue to contribute their services to us, we may not be able to replace them within a reasonable time, our financial condition and results of operations may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain key personnel.

Our existing operations and future growth require competent employees specializing in, among other things, AI, cloud computing, financial and tax solutions, big data analytics and sales and marketing so as to improve our solution functionality and anticipate and effectively respond to changing customer preferences and market trends. However, our industry is characterized by high demand and intense competition for talent. To attract and retain talent, we may need to offer higher compensation and benefits. We cannot assure you that we will be able to attract or retain qualified employees necessary to support our future growth. We may fail to manage relationships with current or former employees, and labor disputes may divert resources, reduce productivity or harm reputation. In addition, as our business has grown rapidly, our ability to train and integrate new employees into our operations may not meet our increasing business demands. Any of the above issues may materially and adversely affect our results of operations and growth prospects.

We may not be able to satisfy our working capital requirements if we experience significant delays or defaults in payments from customers or other counterparties, or significant delays in our billing and settlement process.

If any of our customers runs into financial difficulties or we have disputes with our customers which lead to the delay of payment by our customers to us, we may not be able to receive payments in a timely manner or at all. We typically grant our customers a credit period of up to 90 days. As of December 31, 2023, 2024 and 2025, our trade receivables, net of allowance for credit losses, were RMB21.0 million, RMB14.9 million and RMB52.7 million, respectively. The gross amount of our trade receivables aging over 181 days as of December 31, 2023, 2024 and 2025 was RMB1.6 million, RMB2.1 million and RMB6.2 million, respectively. We recorded allowance for credit losses of RMB0.8 million, RMB1.1 million and RMB2.0 million as of December 31, 2023, 2024 and 2025, respectively. If customers experience financial distress or are unable to settle their payments due to us in a timely manner or at all, our results of operations and financial condition may be materially affected.

We also recorded other receivables, deposits and prepayments of RMB0.9 million, RMB0.9 million and RMB0.9 million as of December 31, 2023, 2024 and 2025, respectively, primarily comprising notes receivables, prepayments in relation to purchases of goods and services, rent and property management fees and [**REDACTED**] expenses, VAT recoverable and deposits refundable within one year. Inability to recover such other receivables or receive products and services pursuant to the relevant terms of the prepayments and deposits may have adverse impact on our business operations.

We may not be able to fulfill our obligations in respect of contract liabilities, which may have an adverse effect on our results of operations and financial condition.

As of December 31, 2023, 2024 and 2025, our contract liabilities, primarily comprising non-refundable advance payments made by customers, were RMB44.8 million, RMB24.1 million and RMB29.2 million, respectively. See "Financial Information — Discussion of Certain Key Consolidated Statements of Financial Position Items — Contract Liabilities." If we fail to fulfill our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the deposits we have received, which may adversely affect our cash flow and liquidity condition. In addition, it may adversely affect our relationship with such customers, which may also affect our reputation and results of operations in the future.

Our rights to use our leased properties could be challenged by third parties, or we may be forced to relocate due to title defects, or we may be liable for failure to register our lease agreements, which may result in a disruption of our operations and subject us to penalties.

We lease certain properties from third parties to be used mainly as office premises, R&D facilities and staff dormitories.

As of the Latest Practicable Date, we had not completed the administrative filings of 22 lease agreements. According to applicable PRC laws and regulations, the lessor and the lessee of a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. While the failure to complete the administrative filings may not affect the legality, validity or enforceability of the lease agreement, the government authorities may require that the filing be made within a stated period of time, failing which, they may impose a fine ranging from RMB1,000 to RMB10,000 for each agreement that has not been properly filed. It is not clear under PRC laws if the fine will be borne by the lessor or the lessee. According to applicable PRC laws and regulations, lessors of the related lease agreements need to provide us with certain documents (such as their business licenses or identification information) in order to complete the administrative filing. There can be no assurance that the lessors of our leased properties will be cooperative in the process of completing the filings. If we fail to complete the administrative filings for all non-registered leases within the period specified by the relevant government authorities, and the relevant authorities determine that we shall be liable for failing to complete the administrative filings of all the relevant lease agreements, we might be subject to a fine ranging from RMB22,000 to RMB220,000.

Future strategic alliances, acquisitions or investments may have a material adverse effect on our business, financial condition and results of operations.

We may enter into strategic alliances or investments, including joint ventures or minority equity investments, with third parties to further our business from time to time. These could subject us to risks including sharing proprietary information, non-performance by third parties and increased expenses. We may have limited ability to monitor third-party actions, and their negative publicity may harm our reputation by association. Acquisitions require significant management attention, may divert resources from existing business, and may not generate expected financial results. Acquisitions could result in substantial cash use, potentially dilutive equity issuances, goodwill impairment, and exposure to unknown liabilities.

If we are not able to control our staff costs in an effective manner, our business, financial condition and results of operations may be adversely affected.

China, like other major economies, continues to face macroeconomic challenges such as inflation and increased labor costs. For the years ended December 31, 2023, 2024 and 2025, we incurred staff costs of RMB59.6 million, RMB65.2 million and RMB67.9 million, respectively, accounting for 37.0%, 38.0% and 38.6% of our total revenue for the respective periods. We are required by PRC laws and regulations to pay various statutory employee benefits. Any labor shortage may disrupt operations or delay expansion. Average wages in China continue to rise, putting upward pressure on our labor costs and employee salaries and benefits, which in turn will negatively affect our profit margins. Any failure to attract qualified employees at reasonable cost and in a timely manner, and any future disputes with our employees may materially and adversely affect our business, financial condition and results of operations.

Our limited insurance coverage could expose us to significant costs and business disruption.

We face various risks in connection with our business and may lack adequate insurance coverage. As of the Latest Practicable Date, we had not maintained property insurance, key employee insurance, product liability insurance or business interruption insurance. Neither had we maintained insurance policies covering damages to our technological infrastructure or litigation insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, monetary liabilities or significant damages to our uninsured equipment, facilities or reputation could materially affect our results of operations.

We may not be able to insure against certain risks even if desired. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

Preferential tax treatment and government grants currently available to us in the PRC could be discontinued or reduced.

Under the EIT Law and its relevant regulations, PRC companies are typically subject to an income tax rate of 25% under the EIT Law. We were qualified as a high and new technology enterprise entitled to a preferential income tax rate of 15%, and further enjoyed 10% as a "Nationally Encouraged Key Software Enterprise". We also recorded government grants of RMB0.7 million, RMB0.5 million and RMB0.3 million for the years ended December 31, 2023 and 2024 and 2025 respectively.

We cannot assure you that we will continue to qualify for such preferential tax treatments and government grants, or that the policies providing for the preferential tax treatments and government grants will continue to be effective. If we fail to provide requisite materials retained for future reference, we will not be entitled to enjoy the preferential tax treatments, as well as other benefits conferred under the accreditations. If we were not entitled to preferential tax treatments in the future, and our income tax expense would increase accordingly, which will adversely affect our net profit.

Economic downturns or industry-wide fluctuations and depressions may decrease the demand for our product and service offerings.

Our business depends on demand for cross-border enterprises business-finance-taxation digital solutions, which depends on customers' financial condition and spending capacity. Adverse macroeconomic conditions may lead to reduced corporate spending, prolonged sales cycles, shorter subscriptions, lower average spending and increased price competition. SME customers might be more susceptible to economic volatility. Should a substantial number of our customers encounter financial distress or fail to sustain operations as a result of economic depressions, our business operations, financial condition and results of operations could be materially and adversely affected.

We may incur additional costs to address any ESG risks, which may adversely affect our financial performance.

To identify, manage, and mitigate ESG risks, we may incur additional costs and expenses which could impact our financial performance. Given the nature of our business, we do not produce any material generation of emissions and wastes and no heavy pollution, our ESG-related initiatives during the Track Record Period mainly involved the establishment and enhancement of internal ESG management policies, reporting procedures and governance framework, as well as the promotion of environmentally friendly workplace practices and energy-saving awareness among employees. As such, no material costs or capital expenditures in relation to ESG initiatives were incurred during the Track Record Period. Nonetheless, we monitor environmental and climate-related risks that may impact on our business, strategy and financial performance and evaluate the magnitude of the resulting impact over the short-, medium- and long-term horizons. We monitor a wide range of indicators such as power consumption, emission of greenhouse gas and water consumption to manage our environmental and climate-related risks arising from our operations and are committed to providing adequate support to our employees to nurture a safe, comfortable and inclusive workplace environment. As the ESG regulatory landscape continues to evolve, we expect these costs to increase, but we are currently unable to estimate the magnitude of such increase with any degree of certainty. This commitment may entail incurring substantial additional costs and would potentially impact our profitability. See "Business — Environmental, Social and Corporate Governance" for details.

In addition, the increasing ESG-related regulatory requirements, including various ESG disclosure mandates in the jurisdictions where we operate, may lead to rising compliance costs and cost of sales may rise. Failure to adapt to new regulations or meet evolving industry expectations and standards could result in customers choosing products and services from other companies, which may materially and adversely affect our results of operations and financial conditions.

RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

The economic, political and social conditions in China could affect our business, financial condition and results of operations.

We conduct all of our business operations in China. Our business, financial condition and results of operations are, to a material extent, subject to economic, political and legal developments in China, including consumer and government spending, business investment and resource allocation.

The PRC government has implemented economic reform measures emphasizing market forces. If the business environment changes, our business may be materially affected.

The development of the PRC legal system and developments in the interpretation and enforcement of PRC laws, regulations and policies in China could materially and adversely affect us.

Currently, all of our assets and substantially a majority of our Directors and senior management are located in the PRC. As a result, it may be difficult for the [**REDACTED**] to directly affect service of process upon us or most of our Directors and senior management in the PRC.

On January 18, 2019, the Supreme People's Court and the Government of the Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"), which came into effect on January 29, 2024. The New Arrangement generally allows Hong Kong court judgments to be recognized and enforced in the PRC without a choice of court agreement, subject to case-by-case examination by the relevant court. However, we cannot guarantee that all judgments made by Hong Kong courts will be recognized and enforced in the PRC.

Fluctuations in exchange rates of Renminbi could adversely affect the value of your investment.

Fluctuations in Renminbi exchange rates against Hong Kong dollar, U.S. dollar and other currencies are affected by PRC policies and international conditions. [**REDACTED**] from the [**REDACTED**] will be in Hong Kong dollars. Any Renminbi appreciation may decrease the value of foreign currency-denominated assets and [**REDACTED**]. Conversely, depreciation may adversely affect the value of H Shares and dividends. We have not utilized instruments to reduce foreign currency risk.

Governmental management of currency conversion could have a material adverse impact.

Remittance of currency in and out of China is subject to various regulations. Our revenues and expenses are substantially denominated in Renminbi, and the net [**REDACTED**] from the [**REDACTED**] and any dividends we pay on our H Shares will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to make current account foreign exchange transactions, including paying dividends in foreign currencies without prior SAFE approval.

However, if the PRC government restricts access to foreign currencies, we may not be able to pay dividends in foreign currencies. Capital account transactions require SAFE approval, which could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the net [**REDACTED**] from the [**REDACTED**] are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these [**REDACTED**] into onshore Renminbi. If the net [**REDACTED**] cannot be converted into onshore Renminbi in a timely manner, our ability to deploy these [**REDACTED**] efficiently may be affected as we will not be able to invest these [**REDACTED**] on Renminbi-denominated assets onshore or deploy them in uses onshore where Renminbi is required. All of these factors could materially and adversely affect our business, financial condition and results of operations.

[REDACTED] of our H Shares may become subject to PRC taxation on dividends received from us and gains from the disposition of our H Shares.

Non-Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares ("**Non-Chinese Resident Individual Holders**"), are subject to Chinese individual income tax on dividends received from us. The tax rate applicable to dividends paid to Non-Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%)

depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non-Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non-Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us.

Under the EIT Law and its implementation regulations, a non-Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between China and the jurisdiction in which the non-Chinese resident enterprise resides. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the Chinese tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non- Chinese resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non-Chinese resident enterprise holders' investments in H Shares may be materially and adversely affected.

Payment of dividends is subject to managements under PRC law.

Under PRC law, dividends may only be paid from distributable profits, defined as after-tax profits under PRC GAAP less recovery of accumulated losses and required reserves. We may not have sufficient distributable profits for dividends.

Because PRC GAAP differs from IFRS in certain respects, subsidiaries may not have distributable profits under PRC GAAP even with IFRS profits. Failure by subsidiaries to pay dividends could negatively impact our cash flows and ability to make distributions.

The SAT also issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiaries have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC governmental authorities.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares, and the [REDACTED] and [REDACTED] of our H Shares may be volatile.

Prior to the [**REDACTED**], there has been no [**REDACTED**] for our H Shares. The [**REDACTED**] range for our H Shares was the result of negotiations between us and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), and the [**REDACTED**] may differ significantly from the [**REDACTED**] for our H Shares following the [**REDACTED**]. We have applied for [**REDACTED**] of, and permission to [**REDACTED**], our H Shares on the Stock Exchange. 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 our H Shares will not decline following the [**REDACTED**]. Furthermore, the [**REDACTED**] and [**REDACTED**] volume of our H Shares may be volatile. The following factors may affect the [**REDACTED**] volume and [**REDACTED**] of our H Shares:

- our financial condition;
- actual or anticipated fluctuations in our operating performance;

- news regarding recruitment or departure of key personnel by us or our competitors;
- the history of, and the prospects for, us and the industry in which we operate;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our services;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties' intellectual property rights;
- the operating and stock price performance of other companies and industries, and other events or factors beyond our control; and
- general political, financial, social and economic conditions.

Moreover, the capital market has from time to time experienced significant [**REDACTED**] and [**REDACTED**] volume fluctuations that were unrelated or not directly related to the operating performance of the underlying companies in the market. These broad market and industry fluctuations may have a material adverse effect on the [**REDACTED**] and [**REDACTED**] volume of our H Shares.

An active and liquid [REDACTED] market for our H Shares may not develop.

Prior to the [**REDACTED**], our H Shares were not [**REDACTED**] on any other market. We cannot assure you that an active and liquid [**REDACTED**] market for our H Shares will be developed or be maintained after the [**REDACTED**]. Liquid and active [**REDACTED**] markets usually result in less [**REDACTED**] volatility and more efficiency in carrying out [**REDACTED**]' [**REDACTED**] and [**REDACTED**] orders. The [**REDACTED**] of our H Shares could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the [**REDACTED**] of our H Shares, you could lose a substantial part or all of your [**REDACTED**] in our H Shares.

If the initial [REDACTED] of our H Shares is substantially higher than the consolidated net tangible assets [REDACTED] value per share, [REDACTED] of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases.

As the [**REDACTED**] of our H Shares is higher than the consolidated net tangible assets per share immediately prior to the [**REDACTED**], purchasers of our H Shares in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] adjusted consolidated net tangible assets. Our existing shareholders will receive an increase in the [**REDACTED**] adjusted consolidated net tangible asset value per share of their shares. In addition, holders of our H Shares may experience further dilution of their interest if the [**REDACTED**] exercise the [**REDACTED**] or if we issue additional shares in the future to raise additional capital.

We have significant discretion as to how we will use the net [REDACTED] of the [REDACTED], and you may not necessarily agree with how we use them.

Our management may spend the net [**REDACTED**] from the [**REDACTED**] in ways you may not agree with or that do not yield a favorable return. For details of our intended use of [**REDACTED**], see "Future Plans and Use of [**REDACTED**]." However, our management will have discretion as to the actual application of our net [**REDACTED**]. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific use we will make of the net [**REDACTED**] from this [**REDACTED**].

Future sales or perceived sales or conversion of substantial amounts of our securities in the [REDACTED], including any future [REDACTED] in China or conversion of our Unlisted Shares into H Shares, could have a material adverse effect on the prevailing [REDACTED] of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholdings.

Future sales, or perceived sales, of substantial amounts of our securities or other securities relating to our H Shares, including part of any future offerings, could also materially and adversely affect the prevailing [**REDACTED**] of our H Shares and our ability to raise capital in the future.

The future [**REDACTED**] of a significant number of our H Shares in the [**REDACTED**] after the [**REDACTED**], or the perception or anticipation of such sales, by any one of our Shareholders could materially and adversely affect the [**REDACTED**] of our H Shares and could materially impair our future ability to raise capital at a time and price that we deem appropriate. Although our Controlling Shareholders have agreed to a lock-up of its Shares, any major disposal of our Shares by the Controlling Shareholders upon expiry of the relevant lock-up periods or the perception that these disposals may occur could cause the [**REDACTED**] of our H Shares to fall, which could negatively impact our ability to raise equity capital in the future.

We may not be able to pay any dividends on our H Shares.

Although we declared and paid dividend during the Track Record Period, we cannot guarantee when and in what form dividends will be paid on our H Shares following the [**REDACTED**]. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, including without limitation, our business and financial performance, capital and regulatory requirements, and general business conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. For details, see "Financial Information — Dividend."

If securities or industry analysts do not publish research reports about our business, or if they adversely change their recommendations regarding our H Shares, the [REDACTED] and [REDACTED] volume of our H Shares may decline.

The [**REDACTED**] market of our H Shares may be influenced by research reports that industry or securities analysts publish about us or our business. If one or more analysts who cover us downgrade our H Shares or publish negative opinions about us, the [**REDACTED**] of our H Shares would likely decline regardless of the accuracy of the information. If one or more of these analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which, in turn, could cause the [**REDACTED**] or [**REDACTED**] volume of our H Shares to decline.

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

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, and growth opportunities for existing operations, plans and objectives of management, certain [**REDACTED**] information and other matters.

The words "anticipate," "believe," "could," "potential," "continue," "expect," "intend," "may," "plan," "seek," "will," "would," "should" and the negative of these terms and other similar expressions identify a number of these forward-looking statements. These forward-looking statements, including, among others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are necessary estimates reflecting the best judgment of our Directors, supervisors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a result, these forward-looking statements should be considered in light of various important factors, including those set out in "Risk Factors" in this document. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

Certain facts, forecasts and statistics contained in this document are derived from various official sources and may not be accurate, reliable, complete or up to date.

We have derived certain information and statistics in this document, particularly the section headed "Industry Overview," from the report prepared by Frost & Sullivan, which was commissioned by us, and from, among others, various official government publications and other publicly available publications provided by the PRC government. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [**REDACTED**], the [**REDACTED**], the [**REDACTED**], any of their respective directors and advisers, or any other persons or parties involved in the [**REDACTED**], and, therefore, we cannot assure you as to the accuracy and reliability of such information and statistics, which may not be consistent with other information compiled inside or outside the PRC. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics contained in such government sources may be inaccurate or may not be comparable with statistics produced for other economies, and you should not place undue reliance on them. In all cases, you should consider carefully how much weight or importance you should attach to or place on such information or statistics.

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

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