An **[REDACTED]** *in our Shares involves various risks. You should carefully consider all of the information set forth in this document, including the risks and uncertainties described below, before making an* **[REDACTED]** *in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the market price of our 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 "Forward-looking Statements" in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We rely on a limited number of suppliers for media resources procurement when we provide advertising services.

We source media resources primarily from a limited number of international digital media platforms and third-party advertising agencies for conducting marketing campaigns for customers. For each year during the Track Record Period, media costs attributable to the five largest suppliers were US$67.3 million, US$60.1 million and US$120.6 million, respectively, accounting for approximately 99.1%, 88.4%, and 95.4% of our total cost of sales, respectively. Media costs attributable directly to Google were US$60.2 million, US$45.3 million and US$80.0 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for approximately 88.7%, 66.6% and 63.3% of our total cost of sales, respectively. Media costs attributable directly to TikTok for Business were US$0.1 million, US$8.8 million and US$34.4 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing approximately 0.1%, 13.0% and 27.2% of our total cost of sales, respectively.

There can be no assurance that they will continue to collaborate with us on acceptable terms or at all, or that the costs associated with engaging alternative media platforms and/or third-party advertising agencies will be reasonable. Due to the intense demand and competition for media resources in our industry, we cannot assure you that we will be able to acquire enough quality media resources for each of our advertising customers. If we fail to source media resources from suppliers on favorable terms, our revenue and profitability could be adversely affected. Any failure by international digital media platforms and third-party advertising agencies to perform their obligations under the relevant agreements, to comply with the applicable laws and regulations and industry standards, or to satisfy our specific requirements and expectations, may have an adverse and material impact on our business, financial condition and results of operations.

If the cross-border e-commerce industry in China does not grow, or grows more slowly than we expect, demand for our service offerings could be adversely affected.

We are a cross-border e-commerce service provider. Continuous demand from our existing and potential future customers to use our service offerings depends largely on the growth potential of China's cross-border e-commerce industry. Our future results of operations will depend on numerous factors affecting the development of the cross-border e-commerce industry in China, which may be beyond our control. These factors include:

- changes in government regulations or policies affecting the cross-border e-commerce industry;
- changes in international trade policies, tariff regulations and geopolitical tensions;
- continuous growth of economy and increase in consumer demand in countries and regions that our service offerings target;
- technological innovation or new business models in the cross-border e-commerce industry; and
- the growth of the worldwide cross-border trade and business in general.

If China's cross-border e-commerce industry does not grow or grows more slowly than we expect, demand for our service offerings and the development of cross-border e-commerce service industry would be adversely affected. Our revenue growth potential would be undermined and our ability to pursue our growth strategy would be compromised.

If we fail to maintain and grow our customer base or attract new customers, results of operations and financial condition may be materially and adversely affected.

We primarily generated revenue from overseas marketing services to customers during the Track Record Period. Our revenue generated from overseas marketing services were US$70.4 million, US$70.6 million and US$128.7 million for the years ended December 31, 2023, 2024 and 2025, respectively, accounting for approximately 99.3%, 99.3% and 93.1% of our total revenue, respectively. We typically enter into short-term service contracts with customers. This exposes us to the risks of uncertainty and potential volatility to our revenue. Customers are not obligated to engage with us on an exclusive basis and they generally use multiple marketing channels to carry out their marketing campaigns. Some customers may prefer working with various agents to compare performance results. If our customers determine that their marketing spending with us do not generate expected returns, they may allocate a portion or all of their advertising spending to our competitors and reduce or discontinue business with us. In addition, our customers may experience a decline of their business and slash their marketing spending. Since most of our customers are not bound by long-term contracts with us, they may lessen or discontinue marketing arrangements with us without incurring material liabilities. Our customers may even develop direct relationship with any international digital media platforms.

Our ability to retain existing customers and attract new ones and attract sufficient marketing spending from them depends on various factors, some of which are out of our control, including:

- our brand recognition and market presence;
- satisfaction with our marketing services, including any new services that we may develop;
- our ability to maintain our relationship with existing international digital media platforms, and establish collaboration with new platforms;
- the competitiveness of our pricing and payment terms, which may, in turn, be constrained by our capital and financial resources; and
- the effects of global economic conditions on marketing spending levels of advertisers generally.

Therefore, we cannot assure you that customers who spent with us in the past will continue to spend at similar levels, or that they will continue to use our services at all. Our customers may cease to engage us or may only be willing to purchase our services at a more attractive pricing term if we do not deliver services in an effective manner, or if they do not believe that their investment in marketing with us will generate a competitive campaign results compared to alternative advertising agencies. We may not be able to replace customers which decrease or cease their engagement with us with new customers that spend at similar levels or more. As a result, our business, results of operations and financial condition could be materially and adversely affected.

We may be exposed to the risk of disintermediation if our customers place online advertisements with international digital media platforms directly.

As a marketing service provider, we help customers launch advertising campaigns on international digital media platforms to market their products or services. We provide our customers with content creation, to achieve better marketing results. However, our services are more time- and cost-consuming for our customers as compared to advertising placement by themselves. There may be a risk that our customers will bypass us in their transactions with media platforms. We cannot guarantee that our customers will not deal directly with media platforms in the future. The occurrence of such events could expose us to the risk of disintermediation, and our business, results of operations and financial condition would be materially and adversely affected.

Changes in international trade policies between China and the U.S. or other countries where our end-consumers are located may have an adverse effect on our business.

Relationships between countries and regions could affect levels of trade, investment and other cross-border economic activities, which would have a material adverse effect on global economic conditions and the stability of global markets. Any of these factors could have a material adverse effect on us and our business prospects, financial condition and results of operations. If there was any further escalation of tensions between the U.S. and China, we cannot assure you that our business will not be affected in the future. From time to time, the U.S. government may also impose restrictions that may adversely affect our industry and/or cause changes of the policies of third-party e-commerce platforms, and/or affect the entry of our customers' products into the U.S., the occurrence of which may adversely affect our business, financial condition and results of operations.

Changes in international trade policies, treaties and tariffs between China and the countries our end-consumers are located in, particularly between China and the U.S., may affect the demand for or impact the competitive position of our service offerings and, or prevent us from being able to sell products in certain countries and reduce our customers' interest in our services. There have been political matters which resulted in increased tensions between the U.S. and China. The U.S. implemented several rounds of import tariffs on products of Chinese origin in hundreds of categories in the Harmonized Tariff Schedule of the U.S., and the PRC government has also been imposing tariffs on certain products imported from the U.S. into China responding to the U.S. tariffs. In particular, with the additional tariffs on products of Chinese origin, sellers in the China's cross-border e-commerce market would likely choose to pass the costs of the tariffs to end-consumers. As a result, competitors in other countries and regions such as Southeast Asia (under less impact of additional US tariffs), could gain market share and improve their price competitiveness. It is uncertain whether any further tariff restrictions will be implemented and whether our customers' products sold to the U.S. will be imposed such additional tariffs.

There were material increases in U.S. import tariffs on products with Chinese origin during the Track Record Period. Although such increase in tariffs decreased after a series of U.S.-China trade talks, there is no assurance that there will be no addition tariffs from the U.S. and other countries, on products with Chinese origin in the future. In the event that there are additional tariffs imposed on products with Chinese origin, our customers' interest in, and willingness to pay for our services may be severely impacted as a result of such volatility.

Disruption of our relationships and unfavorable changes in terms of our arrangements with international digital media platforms could have a material adverse effect on our business and results of operations.

The operation of our overseas marketing services and overseas e-commerce operations depend on our arrangements with third-party business partners, including international digital media platforms such as Google, TikTok, Meta, and Amazon. It is common for international digital media platforms to constantly update their policies without prior notice. Changes in their policies, such as an increase in price of media resources, may result in an increase in our costs and expenses. In addition, such platforms also have the right to interpret how they would implement their policies. We cannot assure you that they will not adopt new policies, change existing policies or change the interpretation of existing policies that may be materially adverse to us.

For example, we cannot assure you that they will not exercise their discretion to remove, either inadvertently or deliberately, advertisements that we place for our customers or the links to our customers' landing pages or even suspend or terminate our advertisement placement in the future, which may materially and adversely affect our business, financial condition and results of operations. Furthermore, there can be no assurance that international digital media platforms could always offer sufficient media resources to us on competitive pricing terms. If there is any loss or deterioration of our relationship with existing international digital media platforms, or if we fail to develop relationship with new platforms to expand the reach of our services, we may not be able to find replacement from other platforms for advertisement placing in a timely and cost-effective manner, or at all, which may materially and adversely affect our business, financial condition and results of operations.

As part of our overseas marketing services and overseas e-commerce operations, we place advertisements on international digital media platforms both directly and indirectly to advertise our customers' products. For the years ended December 31, 2023, 2024 and 2025, media costs were US$67.3 million, US$61.7 million, and US$121.0 million, representing approximately 99.3%, 95.7%, and 95.8% of our total cost of sales, respectively. In particular, a large percentage of our media costs was allocated to two major international digital media platforms, namely Google and TikTok for Business, during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, media costs attributable directly to Google were US$60.2 million, US$45.3 million and US$80.0 million, respectively, representing approximately 88.7%, 66.6% and 63.3% of our total cost of sales, respectively. Media costs attributable directly to TikTok for Business were US$0.1 million, US$8.8 million and US$34.4 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing approximately 0.1%, 13.0% and 27.2% of our total cost of sales, respectively. We expect that such platforms will continue to be the primary channels for us to carry out marketing campaigns for our customers in the foreseeable future. As such, our profitability, financial performance and financial conditions rely on, among other things, the continued strong business relationships between such platforms and us.

We cannot assure you that we will be able to maintain strong business relationships with international digital media platforms, or there will not be unfavorable changes in our current arrangements. In case that such platforms amend the terms of agreements to make them unfavorable to us, the profitability of our business may be materially and adversely affected.

Furthermore, if any of the international digital media platforms that we work with experiences a significant decrease in its audience base, it could reduce the reach and effectiveness of our advertisements placed on their platforms, thereby diminishing its appeal to our customers. As a result, we may fail to retain our customers and our business, and results of operations and financial condition could be materially and adversely affected. If any of the international digital media platforms changes their mode of business which renders termination of our business relationship with them, our business will be adversely and materially affected.

- our ability to attract and retain qualified and skilled employees.

You should consider our business and prospects together with the risks and uncertainties that we face as a growth company operating in a rapidly developing and evolving industry. We may not be successful in addressing the risks and uncertainties listed above, among others, which may materially and adversely affect our business and prospects and future performance.

Our results of operations and profitability may be materially and adversely affected by any reduction in, or unfavorable changes to, the rebate policies of international digital media platforms.

We receive rebates from international digital media platforms, such as Google and TikTok for Business, and other channel suppliers. These rebates are determined based on various factors, including our gross spending on the relevant platforms and the platforms' respective KPI policies. During the Track Record Period, we experienced a downward trend in rebate rates from one of the major international digital media platform which we work with. For further details, see "Business — Overseas Marketing Services — Collaborations and Commercial Arrangements with International Digital Media Platforms" in this document.

We cannot assure you that the international digital media platforms we collaborate with will not further reduce their rebate rates or even cease collaboration in the future. Any such further reduction or unfavorable change in rebate policies will lead to further compression of our gross profit margins and any continued decline in rebate rates could negatively impact our ability to achieve or maintain profitability, and materially and adversely affect our business, financial condition, and results of operations. See "Financial Information — Significant Factors Affecting Our Results of Operations and Financial Condition — Our Relationship with International Digital Media Platforms" in this document for details.

We operate in the competitive cross-border e-commerce service market in China, and if we fail to compete effectively and successfully against our existing and future competitors, our business, market share and profitability may be materially and adversely affected.

We primarily operate in China's cross-border e-commerce services market. We compete primarily based on a few major factors: (i) operational know-hows; (ii) technological capabilities; (iii) the breadth and depth of collaboration with international digital media platforms; and (iv) business development. See "Industry Overview — Competitive Landscape of China's Cross-border E-commerce Marketing Service — Key Successful Factors and Entry Barriers." There is no assurance that we will be able to address these challenges and compete successfully against current and future competitors, and those competitive pressures may have a material adverse effect on our business, financial condition and results of operations.

Our competitors may operate different business models, have different cost structures or participate selectively in different industry segments. They may ultimately prove to be more successful or more adaptable to customer demand and new regulatory, technological, and other developments. Some of our competitors may have longer operating histories, better customer and supplier relationships, more established brand names, and greater financial, technical and marketing resources than we do, and in turn may have an advantage in attracting and retaining customers. Furthermore, larger players with substantial resources, technical expertise, and greater brand power could enter or further expand into the markets where we operate to compete with us. Competition from other market players may also result in continued pricing pressures, which is likely to lead to a decline in the price of our services, and may, in turn, adversely affect our profitability and market share.

New competitors or alliances that have greater market share, larger customer bases, more widely adopted proprietary technologies, more excellent marketing expertise, more abundant financial resources and stronger sales forces than us may emerge, which could put us at a competitive disadvantage. In light of these factors, even if our service offerings are more effective than those of our competitors, current or potential customers and brand partners may accept competitive solutions in lieu of ours. If we are unable to successfully compete in the cross-border e-commerce service markets, our business, financial condition and results of operations may be materially and adversely affected.

Our business is subject to the risks relating to international markets, and we may continue to expand internationally, which could materially and adversely affect our business, results of operations and financial conditions.

We generated most of our revenue by helping customers promote goods and services in overseas markets during the Track Record Period. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from overseas marketing services accounted for approximately 99.3%, 99.3% and 93.1% of our total revenue, respectively. We intend to continue to expand our operations for the existing overseas markets. We may also enter new overseas markets where we have limited or no experience, and the new markets may not be receptive.

Our business operations are subject to various risks and uncertainties related to international markets such as Southeast Asia, and expanding our international focus may also subject us to risks that we have not encountered before or increase risks that we currently face, including:

- difficulties in selecting appropriate geographical regions for overseas expansion and understanding local market trends, customs, legal and regulatory systems and culture;
- competition from local service providers with a strong market presence;
- protectionist laws and business practices that favor local market players in some countries;

- challenges in identifying appropriate local or international third-party business partners and establishing and maintaining a good working relationship with them;
- political, economic and social instability in regions where we enter;
- compliance with applicable foreign laws and regulations; and
- higher operation costs associated with doing business internationally.

Our ability to continuously expand our business and the global reach of our services in an increasing number of international markets, especially in Southeast Asia also requires considerable management attention and resources, and is subject to the challenges of supporting a growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems and commercial infrastructures. Our business operations also subject us to the impact of global and regional recessions and economic and political instability, differing regulatory requirements, and potentially adverse tax consequences.

We may incur significant operating expenses as a result of our expanding business operations in overseas markets including Southeast Asia, and they may not be successful. If we fail to deploy, manage, or oversee our business operations successfully, or if we fail to address any of the challenges and risks effectively, we may not be able to execute our growth strategies and achieve further business growth and long-term profitability. As a result, our business, results of operations and financial condition could be materially and adversely affected.

We may not be able to identify and respond to changes in consumption trends and consumer preferences and market demand in a timely manner.

Our business performance is sensitive to consumption trends and consumer preferences, and market demands which change from time to time. Failure to help our customers track and respond to the evolving consumption trends and consumer preferences could have a material adverse effect on our business and results of operations.

Consumers of cross-border e-commerce business in different geographical locations have varied demands and online shopping tastes and patterns. The success of overseas marketing services and overseas e-commerce operations largely depend on our ability to understand and anticipate consumption trends, consumer preferences, and market demand. Some customers and brand partners rely on our know-hows to discover products that match the appetites of their target consumers, accurately place advertisements to potential consumers, and address their evolving needs and preferences. Consumption trends and consumer preferences differ within and across different countries and regions and among different consumer groups, thus are influenced by factors such as consumer tastes, regional history and culture. We may not always be able to discover products that cater to changing consumer preferences, identify interested consumers, or recommend or help our customers recommend relevant products to interested consumers. Any failure to accurately anticipate trends and react to prevailing consumer preferences in a timely manner could adversely affect our business operations, resulting in decreased procurement of our service offerings, and reduction in our business profitability, which may, in turn, have a material adverse effect on our business, financial condition and results of operations.

We cannot guarantee that our data analysis is always accurate and that we can always detect erroneous analysis.

We rely on our data analytics capability to process marketing performance data and other data provided by international digital media platforms in evaluating the effectiveness of the marketing campaigns we help deliver and calculating the corresponding marketing results. However, we cannot guarantee that our data analytics tools would not generate inaccurate or erroneous results. If the data analytics tools on our GIG platform generate inaccurate or erroneous results, we will not be able to improve precision of our advertising services, achieve better marketing performance for our customers, and acquire and maintain customers' advertising spending with us. Our reputation could deteriorate, and we may lose our customer base. As a result, our business, results of operations and financial condition could be materially and adversely affected.

We may not be able to manage the growth of our business and operations or implement our business strategies on schedule or within our budget, or at all.

Any expansion of our business may increase the complexity of our operations and place a significant strain on our managerial, operational, financial, and human resources. Our current and planned personnel, systems, procedures, and controls may not be adequate to support our future operations. We cannot assure you that we will be able to manage our growth effectively or to implement all these systems, procedures, and control measures successfully. If we are not able to manage our growth effectively, our business and prospects may be materially and adversely affected.

We are also continually executing a number of growth initiatives, strategies and operating plans designed to enhance our business. For example, we aim to continuously promote our overseas marketing services toward more overseas markets and expand the scale of overseas e-commerce operations. We also aim to improve our existing service offerings and introduce new ones, including among others, to continue expanding our coverage of customers by enriching our service offerings, broadening the scope of services and coverage of media platforms, and further strengthening our technological infrastructure. Implementing these initiatives, strategies and plans requires a significant amount of financial resources and management attention, and there is no assurance that they could achieve the desired outcome. In the event that any of our growth initiatives, strategies and operating plans is proven unsuccessful, our business and prospects may be materially and adversely affected.

We are exposed to the risks relating to third-party logistics and warehousing solutions providers.

We engage third-party logistics and warehouse service providers to provide logistics and warehousing solutions for orders of our overseas e-commerce operations. Such collaboration could expose us to potential service disruptions or inefficiencies. If these providers fail to meet their service obligations due to operational issues, financial difficulties or other unforeseen circumstances, our ability to deliver goods to consumers in a timely and cost-effective manner may be impacted, which could cause a decline in product sales and loss of revenue. In addition, improper handling of our products by the logistics and warehousing solution providers could also result in product damage, which could lead to product liabilities or claims and damage our brand image and reputation. Furthermore, fluctuations in the prices of logistics solutions could harm our profitability. Any of these events could materially and adversely affect our business, financial condition and results of operations.

Failure of efficient inventory management may have a material and adverse effect on our business and financial performance.

Our inventories primarily include products we procure from suppliers for orders placed in association with overseas e-commerce operations. Before we place order with suppliers, we conduct data analysis on the trending consumer preference and demand to capture the current or next bestsellers. When we conduct overseas e-commerce operations, legal title of products and the associated risk of potential losses or liabilities shifts to us, as soon as the procured products arrive at overseas warehouse designated by us.

We commenced overseas e-commerce operations in May 2025. Our inventory turnover days were 22.4 days for the year ended December 31, 2025. See "Financial Information — Discussion of Selected Consolidated Statements of Financial Position Items — Current Assets and Liabilities — Inventories." Our inventory level is subject to various factors which are beyond our control. Failure to forecast consumer demand or any unexpected event affecting the sales of our products could result in increased inventory obsolescence, a decline in inventory value or inventory write-downs. There can be no assurance that we will be able to maintain optimal inventory level, and any such failure may have a material adverse effect on our business, financial condition and results of operations.

Our business operations reply on proper functioning of our IT systems, the Internet infrastructure and telecommunication network.

Our success and our capacity to draw in and retain customers and brand partners depend on the efficient operation, appropriate and stable performance, convenient accessibility, and ongoing updating of our Internet infrastructure and telecommunication network. We also rely on Midodo Operation System, our self-developed technology platform, to operate our business. Our system may be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to system interruptions, website slowdown or unavailability, delays or errors in transaction processing, loss of data or the inability to process orders and data. During the Track Record Period, we were not subject to these types of attacks that had materially and adversely affected our business operations. However, there is no guarantee that we will not be exposed to attacks like these in the future, which could require us to spend a significant amount of money and resources to restore functionality. Any such future occurrences may have a material adverse impact on our business, financial condition and results of operation.

As our business expands, we expect to continue investing in our IT systems and Internet infrastructure, and may potentially increase our investment in this respect. We may recognize costs associated with these investments earlier than some of the anticipated benefits and the return on these investments may be lower, or may develop more slowly, than our expectation. We may fail to recover our investments, in part or in full, if at all, or the recovery of these investments may take longer than we expected. As a result, the carrying value of the related assets may be subject to an impairment charge, which may materially and adversely affect our business, financial condition and results of operations.

In addition, our business operation also depends on the performance and reliability of the Internet infrastructure in China. In the event of disruption, failures or other problems with the Internet infrastructure, we may not have access to alternative networks. Failure or disruption in network would interfere with the speed and availability of our communication-based solutions. In addition, we have no control over the costs of the services provided by the telecommunications operators. If the prices that we pay for telecommunications and Internet services rise significantly, our business, financial condition and results of operations could be adversely affected.

The theft, loss, or misuse of personal or corporate information or other data, could increase our expenses, damage our reputation, or result in legal or regulatory proceedings.

When we operate our business, we collect personal and corporate information of our customers. We face multiple risks in the handling and securing of these data. We face threats from techniques that are used to gain unauthorized access to data and systems, disable or degrade service or sabotage systems are constantly evolving. We may be unable to anticipate, deter or prevent such techniques or otherwise implement adequate preventive measures to avoid unauthorized access to data collected by us. Besides, our services may be vulnerable to cybersecurity breaches and attacks, which could lead to system interruptions, delays or shutdowns and cause the loss or leakage to our overseas consumers' data.

We are subject to laws and regulations of the PRC and other countries and regions relating to the collection, use, retention, security and transfer of personal information with respect to our customers employees and business partners. For example, the Personal Information Protection Law (《個人信息保護法》) provides detailed provisions for the protection and processing of personal information in the PRC. These laws may vary from jurisdiction to jurisdiction.

In particular, on September 24, 2024, the State Council issued the Regulations on the Administration of Cyber Data Security (《網絡數據安全管理條例》) (or the Regulations on Cyber Data Administration), which came into effect on January 1, 2025. The Regulations on Cyber Data Administration provides that network data processors handling personal information of more than 10 million individuals shall comply with several requirements for important data processing and are required to take precautionary measures such as important data identification and annual risk assessment. In addition, the Regulations on Cyber Data Administration also provides that where necessary to fulfill statutory obligations, network data processors may provide personal information abroad. The Regulations on Cyber Data Administration also sets out several obligations for network platform service providers, including providing users with the option to turn off personalized recommendations.

We have adopted internal policies, procedures and guidelines for the protection of personal and corporate information that we collect, and to ensure our compliance with relevant laws and regulations. Nevertheless, the efforts that we take to protect our customers' information may not always be sufficient or effective. Any non-compliance with the relevant cybersecurity, data security or personal information protection relating laws and regulations, may result in administrative penalties, including fines, a shut-down of our business, suspension of our solutions and services and revocation of requisite licenses, as well as reputational damage or legal proceedings or actions against us, which may result in material adverse effects on our business, financial condition or results of operations.

Seasonal fluctuations in our industry could have impact on our revenue, cash flow and operating results.

Our revenues, cash flow, operating results and other key operating and performance metrics may vary from quarter to quarter due to the seasonal nature of our customers' spending on advertising campaigns. For example, advertisers tend to devote more of their advertising budgets around the holiday seasons (such as Christmas and New Year) and on special promotional occasions (such as Black Fridays), while advertisers tend to scale back advertising campaigns targeting overseas markets around Chinese New Year due to seasonal slowdown in domestic economic activities. Our historical revenue growth has masked the impact of seasonality, but if our growth rate declines or seasonal spending becomes more pronounced, seasonality could have a material impact on our revenues, cash flow and operating results from period to period.

Underperformance of our services or any quality issues related to our products could result in loss of customers and consumers and may subject us to reputational risks and product liability claims.

Our business operations and brand reputation rely on consistent delivery of value to customers, and of product quality to consumers. We have invested in both human and capital resources to continuously advance our service capabilities. We have also implemented a stringent quality control system to ensure the high standard of our service offerings.

However, we may not always be successful in tracking the latest consumer preferences, and we may not always be able place advertisements for customers in the most effective manner. We may face reputational risks and termination of cooperation with customers, if the performance of our services deviates from the expectation of our customers. Failure to meet our customers' expectation could adversely affect our business operations, financial condition and results of operations.

Further, our staff may not always be successful in detecting defects or quality issues of our products, because they originate from factors beyond our direct control. If any products sold by us are alleged to be unsafe or defective, we may experience reduced sales of the relevant products and may have to recall them from the market. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recall, nor had we experienced any material product liability claim. Nevertheless, we cannot assure that such recalls will not occur, or such claims will not be filed against us in the future. Any claims made against us could have a material adverse effect on our reputation, business, financial condition and results of operations. Any claims against us, regardless of merit, can hurt our reputation, consume the time and attention of our management, and even have a material adverse effect on our reputation, business, financial condition and results of operations. If any claims against us are successful, we may incur liabilities, and our reputation may be severely damaged.

We may be subject to claims by third parties for intellectual property infringement.

We may be subject to claims by third parties for intellectual property infringement. We rely in part on our brand partners to effectively maintain intellectual property rights relating to products sold in overseas e-commerce operations. However, we cannot assure you that other third parties will not put forward claims that products we procure from brand partners infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold, whether such claims are valid or otherwise. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, or allegations that we are involved in unfair trade practices. As we face increasing competition, we face a higher risk of being the subject of intellectual property infringement claims.

Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable final outcomes in all cases. Such intellectual property claims may harm our brand and reputation, even if they are vexatious or do not result in liability. Any resulting liability or expenses, or changes required to our products or services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations, and prospects.

We face risks of personal injuries and accidents in connection with our China Cross-Border E-commerce Trade Fair, and if we fail to maintain public safety, it may have an adverse effect on our business, results of operation and financial condition.

There are inherent risks involved with organizing CCETF. As a result, personal injuries and accidents have, and may occur from time to time, which could subject us to claims and liabilities for personal injuries. Incidents in connection with our CCETF at the venue that we rent could also result in claims, reducing operating income or reducing attendance at our event, which could cause a decrease in our revenue. Failure to maintain public safety could expose us to personal injury or other claims, increase our expenses, reduce attendance at CCETF, or even result in the suspension of the event, thereby causing a significant decrease in revenue. As a result, our business, results of operations and financial condition may be adversely affected.

If we fail to obtain or maintain requisite approvals, licenses or permits applicable to our business, it may have a material adverse effect on our business and results of operations.

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to maintain approvals, licenses, permits and certifications in order to operate our business. Compliance with such laws and regulations may require substantial expense, and any noncompliance may expose us to liability. We cannot guarantee that we will be able to obtain and maintain all requisite approvals, licenses, permits and certifications.

Regulatory authorities who have extensive authority to supervise and regulate the industry we operate in may not interpret relevant laws and regulations the way we do. In addition, as the regulatory regime for the industries in which we operate continues to evolve, new laws, regulations and regulatory requirements are promulgated and implemented from time to time. We may be required to obtain approvals, licenses, permits and certifications that we do not currently have for our existing business or new scope of business that we may expand into in the future. In the event of noncompliance, we may have to incur significant expenses and divert substantial management time to rectify the incidents. In the future, if we fail to obtain or maintain the necessary approvals, licenses, permits and certifications required by relevant laws and regulations or if we are deemed to have conducted business operations requesting certain approvals, licenses, permits and certifications without having one, we may be subject to fines or the suspension of operations of the relevant business segments or facilities that do not have all the requisite approvals, licenses, permits and certifications, which could materially and adversely affect our business and results of operations. See "Regulatory Overview" for further details on the requisite approvals, licenses, permits and certifications for business operations. We may also experience adverse publicity arising from noncompliance with government regulations, which would negatively impact our reputation.

Our use of open source technology could impose limitations on our ability to our services.

Our digital technologies incorporates open source software components that are licensed to us under various public domain licenses. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code on unfavorable terms or at no cost. There is little or no legal precedent governing the interpretation of many of these licenses and therefore the potential impact of such licenses on our business is not fully known or predictable. There is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our services.

While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our source code or that would otherwise breach the terms of an open source license, such use could inadvertently occur and we may be required to release our proprietary source code, pay damages for breach of contract, re-code or engineer one or more of our offerings, discontinue provisions of one or more of our services in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could cause us to breach obligations to our users, harm our reputation, result in user losses or claims, increase our costs or otherwise adversely affect our business and results of operations.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality agreements with our employees and third parties, to protect our proprietary rights. Third parties, including our competitors, could infringe, misappropriate or otherwise violate our intellectual property rights. Monitoring unauthorized use of intellectual property is difficult and costly. In addition, we may not be able to detect unauthorized use of our intellectual properties and take appropriate steps to enforce our such rights. Any inability to effectively enforce our intellectual property rights could harm our ability to compete and reduce demand for our services. From time to time, we may have to resort to litigation to enforce our intellectual property rights, which could result in substantial costs and diversion of our resources.

Our performance depends on key management as well as experienced and capable personnel generally.

Our future success is significantly dependent upon the continued service of our management and key personnel. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth, therefore materially and adversely affecting our business, financial condition, results of operations and prospects.

Meanwhile, the size and scope of our Group may require us to hire and retain a wide range of experienced personnel who can adapt to a dynamic, competitive and challenging business environment. We will need to continue to attract and retain experienced and capable personnel at all levels as we expand our business and operations. Competition for talent in China's cross-border e-commerce marketing service industry is intense, and the availability of suitable and qualified candidates is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. In addition, even if we were to offer higher compensation and other benefits, there can be no assurance that these individuals would choose to join or continue working for us.

Our key employees are subject to confidentiality terms that prohibit them from disclosing confidential and proprietary information, and they are also subject to non-competition arrangements. However, we cannot assure you that such arrangements can be fully and legally enforced. If any of our senior management or other key personnel joins or establishes a competing business, we may lose some of our customers, which may have a material adverse effect on our business.

If we are unable to recruit, train and retain qualified personnel or fail to do so in a cost-efficient manner, our business may be materially and adversely affected.

We intend to hire additional qualified employees to support our business operations and planned expansion. Our future success depends, to a significant extent, on our ability to recruit, train and retain qualified personnel, particularly technical, fulfilment, marketing and other operational personnel with experience in the cross-border e-commerce marketing service industry.

Since our industry is characterized by high demand and intense competition for talent and labor, we may provide no assurance that we will be able to attract or retain qualified staff or other highly skilled employees that we will need to achieve our strategic objectives. We have observed an overall tightening of the labor market and an emerging trend of shortage of labor supply. Failure to obtain stable and dedicated personnel may lead to underperformance of our operation. Labor costs in China have increased with China's economic development, particularly in the large cities where we operate our business. Therefore, to maintain and enhance our competitiveness, we may from time to time need to adjust certain elements of our operations in response to evolving economic conditions and business needs. Any failure to address these risks and uncertainties could materially and adversely affect our financial performance and prospects of achieving profitability, which could have a material adverse impact on our business development, financial conditions and results of operations. In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth in a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

Our business, financial condition and results of operations may be materially and adversely affected by political events, war, terrorism, public health issues, adverse weather conditions, natural disasters and other catastrophes.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreaks of widespread health epidemics, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Outbreaks of contagious diseases and other adverse public health developments in which we operate and conduct business could severely damage our supply chain operation, or impair the works of our workforce. The outbreak of any severe epidemic disease, such as avian flu, H1N1 flu, SARS or the COVID-19, may disrupt our business operations, which could negatively affect our financial condition, results of operations, supply chain management and future prospects.

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

We may evaluate and consider strategic investments and acquisitions or enter into strategic alliances to enhance our competitive position. Investments or acquisitions involve numerous risks, including (i) the potential failure to achieve the expected benefits of the combination or acquisition; (ii) difficulties in, and the cost of, integrating operations, technologies, services and personnel; (iii) potential write-offs of acquired assets or investments; and (iv) downward effect on our operating results. These transactions may also divert the management's time and resources from our normal operations, and we may have to incur unexpected liabilities or expenses. In particular, change in business prospects of acquisitions may result in goodwill impairment, which could negatively affect our results of operations. While we did not recognize impairment loss for goodwill during the Track Record Period as we did not have goodwill, we cannot assure you that there will be no such charges in the future. We intend to use a portion of our **[REDACTED]** from the **[REDACTED]** to finance our investment, acquisition and partnership opportunities. See "Future Plans and **[REDACTED]**."

Our impairment assessment of goodwill will be based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to make an additional provision for our goodwill and record impairment losses, which could in turn adversely affect our results of operations. Any significant impairment of goodwill could have a material adverse effect on our business, financial condition and results of operations.

In addition, we may also, in the future, enter into strategic alliances with third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with potential leakage of proprietary information, non-performance by the counterparty and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business.

We may be unable to identify appropriate acquisition or strategic investment targets when it is necessary or desirable to make such acquisition or investment to remain competitive or to expand our business.

We plan to invest in, or acquire the equity interest of companies that can generate synergies with our existing services, expand our customer base, and/or enhance our technological capabilities. However, we cannot assure you that we will be able to identify appropriate opportunities in a timely manner. Even if we do, we may not be able to negotiate the terms of the acquisition or investment successfully, finance the proposed transaction or integrate the relevant businesses into our existing business and operations. Furthermore, we may lose the acquisition opportunities to our competitors as many of them are concurrently looking for similar targets to improve their competitiveness.

RISKS RELATING TO THE REGULATORY REQUIREMENTS

Failure to pay the social insurance and housing provident funds on behalf of our employees may subject us to penalties.

Companies operating in China are required to pay for their employees' social insurance (in most cases including pension insurance, unemployment insurance, medical insurance, work-related injury insurance and maternity insurance) and housing provident funds in amounts equal to a certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government at locations where they operate their business.

We might be subject to late fees and fines for our social insurance and housing provident fund non-compliance during the Track Record Period under PRC laws and regulations. We did not make full contributions to the social insurance and housing provident fund for some employees based on their actual salary as prescribed by the relevant PRC laws and regulations during the Track Record Period. During the Track Record Period, the shortfall of our social insurance and housing provident fund contributions was RMB6.8 million, against which we have made a provision of RMB2.0 million (equivalent to approximately US$287.2 thousand) in our consolidated statements of financial position. For the remaining unprovided portion, our PRC Legal Adviser is of the view that, the risk of the relevant PRC subsidiaries being required by the competent authorities to make supplementary contributions for such unprovided historical shortfalls is remote, based on (i) we have obtained compliance certificates issued by the relevant competent authorities, confirming that (a) throughout the Track Record Period, none of relevant PRC subsidiaries had been subject to any relevant administrative penalties relating to social security or housing provident funds contributions, and (b) there is no supplementation to be required; (ii) the relevant PRC subsidiaries have never been subject to administrative penalties by the social security or housing provident fund authorities, and have not received any material complaints from employees regarding their social security or housing provident fund contributions; (iii) according to Urgent Notice of the General Office of the Ministry of Human Resources and Social Security on Implementing the Guidelines of the Executive Meeting of the State Council to Effectively Doing a Good Job in Stabilizing the Collection of Social Insurance Premiums (人力資源社會保障部辦公廳關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知), it is prohibited to organize, without permission, the centralized payment of the fees owed by enterprises; and (iv) the Company has promised that, in the event that relevant competent authorities order the Group to pay or make up for any unpaid social insurance premiums and housing provident fund contributions within a specified time limit, the relevant PRC subsidiaries will complete the payment within the specified time limit. We thus did not make provision for such portion of shortfall. As of the Latest Practicable Date, we had not received any notice from the local authorities that impose upon us administrative penalties for delay in account opening and insufficient contributions, or any claim or request from the relevant employees that requires us to make payments. See "Business – Employees – Social Insurance and Housing Provident Fund" in this document for details.

Pursuant to relevant PRC laws and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit, and the under contribution of social insurance within a prescribed period may subject us to a daily overdue charge of 0.05% of the delayed payment amount, and if we fail to comply when ordered, the relevant authorities may impose a maximum fine or penalty equivalent to three times the outstanding amounts. With respect to housing provident funds, the relevant authorities may order us to pay the outstanding amounts within the prescribed time period, and they may apply to a competent court for enforcement of the outstanding amounts if we fail to do so.

On July 31, 2025, the Supreme People's Court promulgated the Interpretation II of the Supreme People's Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the "**New Judicial Interpretation**"), which stipulated, among others, that any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid.

Our PRC Legal Adviser is of the view that the New Judicial Interpretation will not have a material adverse effect on our business, financial condition or results of operations, based on the following considerations: (i) upon its implementation, the New Judicial Interpretation did not affect the compliance status of our contributions to social insurance nor expanded the potential risk exposure for our failure to make full payment of the social insurance during the Track Record Period; (ii) during the Track Record Period and up to the Latest Practicable Date, we have not entered into any agreement with our employees, nor required our employees to make commitments to exempt us from paying social insurance contributions; (iii) no employee has brought any lawsuit or arbitration in respect of payment of social insurance and none of our pending litigation or arbitration is applicable to the aforementioned judicial interpretations.

Certain lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by the PRC laws.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not completed the relevant property leasing registrations for eleven of our leased properties in China. As advised by our PRC Legal Advisor, the failure to complete the registration process does not affect the validity of the property lease agreements, but a maximum penalty of RMB10,000 may be imposed on us for the non-registration of each lease. We cannot assure we will not be subject to any penalties arising from the non-registration of lease agreements in the future. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. See "Business — Properties".

We may be required to register our operating offices outside of our residence addresses as branch offices under the PRC laws.

We may be required to register our operating offices outside of our residence addresses as branch offices under the PRC laws. Under PRC law, a company setting up premises for business operations outside its residence address must register them as branch offices with the relevant local market regulation bureau at the place where the premises are located and obtain business licenses for them as branch offices. As of the Latest Practicable Date, we have not registered four branch offices in a timely manner due to complex procedural requirements and relocation of branch offices from time to time. We commit to complete such formalities within March 31, 2027. As consulted with our PRC Legal Adviser, if we fail to register such branch offices as required by the relevant competent authorities, we may be subject to a fine of RMB10,000 to RMB100,000 for each of the unregistered branch office. We estimate that the maximum penalty we may be subject to for these unregistered branch offices will be approximately RMB300,000. As of the Latest Practicable Date, we were able to register branch offices in certain locations where we had significant presence, while we cannot assure you that we are and we have always been able to register branch offices in all locations where we have business operations. If the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, confiscation of income and suspension of operation. If we become subject to these penalties, our business, results of operations, financial condition and prospects could be adversely affected.

The PRC regulation of loans to and direct investments in the PRC entities by offshore holding companies may delay or restrict us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. Any foreign loan procured by our PRC subsidiaries or operating entities is required to be registered with the State Administration of Foreign Exchange of the PRC (the "**SAFE**") or its local branches, and our PRC subsidiaries may not procure loans exceeding the statutory limits that are required to be registered with the SAFE or its local branches or file with the SAFE through its online service platform. Furthermore, any capital contributions we make to our PRC subsidiaries shall be registered with the SAMR or its local affiliates, and filed with the Ministry of Commerce or its local affiliates. In addition, (i) any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE, or its local branches, and (ii) each of our PRC subsidiaries may not procure loans which exceed the difference between its registered capital and its total investment amount. Any medium or long term loan to be provided by us to our Consolidated Affiliated Entities must be approved and/or registered by the NDRC and the SAFE or its local branches. We may not be able to obtain such approval or complete such registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us directly to our PRC subsidiaries. If we fail to obtain such approval or complete such registration, our ability to use the **[REDACTED]** of this

[REDACTED] and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知), or SAFE Circular 19. SAFE Circular 19 took effect as of June 1, 2015. The SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange (關於改革和規範資本項目結匯管理政策的通知), or SAFE Circular 16, on June 9, 2016, and amended SAFE Circular 16 in December 2023. SAFE Circular 19 and SAFE Circular 16 prohibit foreign-invested enterprises from, among other things, using Renminbi capital converted from foreign exchange capital for expenditure beyond its business scope, investment in securities or investments other than banks' principal-secured products, providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use except for real estate enterprises. On October 23, 2019, SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-Border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), or SAFE Circular 28, according to which non-investment foreign-invested enterprises are permitted to make domestic equity investments with their capital funds provided that certain conditions are met and the target investment projects are genuine and in compliance with laws.

We cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, and conversion of future loans or capital contributions, including the **[REDACTED]** from the **[REDACTED]**, into Renminbi. If we fail to comply with the applicable foreign exchange circulars and rules, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could have an adverse impact on our ability to fund and expand our business.

Data protection, cybersecurity, privacy and similar laws in China and other jurisdictions regulate the collection, use and disclosure of information and data. Failure to comply with or adapt to revisions to these laws could materially and adversely harm our business.

The PRC government in recent years has enacted a series of laws and regulations on the cybersecurity and data protection to which we may be subject. The Cybersecurity Review Measures, promulgated by the Cyberspace Administration of China on December 28, 2021 and came into effect on February 15, 2022, requires (i) network platform operators who carry out data processing activities and (ii) any "operator of critical information infrastructure" to conduct a cybersecurity review if they will affect or may affect national security. In addition, any failure or delay in the completion of the cyber security review procedures or any other noncompliance or perceived noncompliance with the Cybersecurity Law of PRC or related regulations may prevent us from using or providing certain services, and may result in fines or other penalties by PRC regulatory authority, customers or others, such as making certain required rectification, suspending our related business, taking down our operations and bringing actions against us.

In addition, the PRC Data Security Law promulgated by the Standing Committee of the National People's Congress of China came into effect on September 1, 2021. The PRC Data Security Law provides for data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which may affect national security.

Our business operations involve data processing activities, including data collection either by ourselves or from third parties, data storage and analysis. We store customers' data in our systems. We have adopted various measures, such as carrying out our data compliance policies and designating a person in charge, to ensure data compliance. As confirmed by our PRC Data Compliance Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we were in compliance with applicable PRC laws and regulations with respect to data privacy and personal data protection in all material aspects. However, we cannot assure that our privacy and data protection measures will always be considered sufficient in all aspects under

We had net current liabilities and net liabilities during the Track Record Period.

Our net current liabilities and net liabilities throughout the Track Record Period predominantly reflected the impact of our accumulated losses before 2022 on our consolidated statements of financial position. Our net current liabilities position during the Track Record Period was also due to our outstanding balance of trade and other payables. As of December 31, 2023, 2024 and 2025, our net current liabilities were approximately US$2.1 million, US$2.2 million, and US$6.5 million, and our net liabilities were approximately US$1.4 million, US$1.4 million, and US$5.8 million, respectively. Changes in our net current liabilities position during the Track Record Period reflected the impact of capital injection from our equity shareholders and our operating results.

There can be no assurance that we will not have liquidity problems in the future. A net current liabilities position or net liabilities positions can expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financings from external sources such as equity financing, which could result in dilution of your equity interests, or debt financing, which may not be available on terms favorable or commercially reasonable to us, or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations and prospects.

We are uncertain about the recoverability of our deferred tax assets, which may adversely affect our financial condition in the future.

We are required to make judgments, estimates and assumptions about the carrying amounts of our deferred tax assets. As of December 31, 2023, 2024 and 2025, we had net deferred tax assets of US$0.3 million, US$0.4 million and US$0.2 million, respectively. See Note 21 in Appendix I to this document for details of the movements of our deferred tax assets during the Track Record Period. Deferred tax assets are recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilized. This requires judgment on the tax treatments of certain transactions and assessment on the probability, timing and adequacy of future taxable profits available for the deferred tax to be recovered. These judgment and assessment are mainly based on historical experience and other relevant factors. As a result, actual results may differ from these accounting estimates.

The realization of deferred tax assets depends primarily on our estimate of whether sufficient future profits will be available. If sufficient future taxable profits are not expected to be generated or if taxable profits are lower than expected, we may fail to recover our deferred tax assets, which may materially and adversely affect our financial condition.

We may be subject to risks associated with our transfer pricing arrangement.

During the Track Record Period, there were a large volume of related party transactions. Tax authorities reserve the right to assess the arm's length position of the related party transactions. If tax authorities concluded that our inter-company transactions do not align with the arm's length principle, it may impose transfer pricing adjustments retrospectively. We have engaged an international advisory company as an independent transfer pricing consultant to review our transfer pricing arrangements based on arm's length principle. The transfer pricing consultant reviewed the intra-group transactions based on the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations 2022 issued by the OECD and the transfer pricing regulations in Chinese Mainland and Hong Kong. According to the functional and risk analysis performed by our transfer pricing consultant, Transactional Net Margin Method ("**TNMM**") is selected to access whether the transfer pricing arrangements related to the intra-Group cross-border transactions were consistent with the arm's length principle. After conducting transfer pricing benchmarking analysis by screening and analyzing comparable companies, the transfer pricing consultant concluded that given the profit level of the related entities and the appropriate provisions made during the Track Record Period, these intra-group transactions were generally in compliance with the applicable transfer pricing laws and regulations in all material aspects. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any outstanding inquiries, audit, investigation or challenge by any tax authorities in Chinese Mainland and Hong Kong in relation to our intra-group transactions and transfer pricing arrangements, that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of the operation.

A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. In addition, a transfer pricing arrangement may give rise to tax recoverable in certain jurisdictions as a result of tax adjustments. There is no assurance that we could successfully recover the tax recoverable from the relevant tax authorities. Our business, financial condition and results of operations may therefore be materially and adversely affected.

We may get exposed to credit risks, which could negatively impact our financial condition, results of operations and operating cash flow.

We are exposed to credit risk related to delay in payment and defaults of our customers. We generally grant credit terms of 30 to 60 days to select customers. As of December 31, 2023, 2024 and 2025, the balances of our trade receivables, net of loss allowance amounted to US$10.2 million, US$6.5 million and US$12.2 million, respectively. Our trade receivables turnover days were 55.5 days, 44.0 days and 26.7 days in the years ended December 31, 2023, 2024 and 2025, respectively. For the years ended December 31, 2023, 2024 and 2025, we recognized impairment losses on trade and other receivables of US$36 thousand, US$0.3 million and US$0.7 million, respectively.

Our trade receivables balance may continue to increase along with our business growth, which may increase our credit risks. We cannot assure you that our measures in monitoring outstanding trade receivables and enhancing collection of trade receivables will be fruitful nor can we guarantee that clients will settle our trade receivables within the credit period, and our trade receivable balances and average turnover days may increase in the future. Moreover, macroeconomic conditions could also result in financial difficulties for our customers, including operational and liquidity difficulties, limited access to the credit markets, insolvency or bankruptcy, and as a result could cause our clients to delay payments to us or default on their payment obligations to us. Under certain circumstances, we may have to sue our customers for outstanding payments, which may cost our additional resources for the litigations. If we are unable to collect trade receivables from clients, our business, financial condition and results of operations may be materially and adversely affected.

We are exposed to risks arising from differences in the interpretation of accounting treatments and the application of tax laws and regulations.

We are subject to periodic examinations on fulfilment of our tax obligation under the tax laws and regulations by competent tax authorities. We operated our business through major subsidiaries in Chinese Mainland and Hong Kong during the Track Record Period. We may continue to expand the geographical coverage of our services and penetrate overseas markets where we currently do not have business operations, which could subject us to risks in connection with cross-border tax matters, such as those arising from the transfer pricing arrangements within our Group and differences in the interpretation of accounting treatments. We cannot assure you that future examinations by competent tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation.

Failure to recognize our receipts in advance as revenue could adversely affect our liquidity and financial conditions.

Our receipts in advance primarily arise from advance payments made by customers for our overseas marketing services while the underlying services are yet to be provided. We recorded receipts in advance of US$1.6 million, US$2.2 million and US$2.9 million as of December 31, 2023, 2024, and 2025, respectively. See "Financial Information — Discussion of Selected Consolidated Statements of Financial Position Items — Current Assets and Current Liabilities — Receipts in Advance" for details.

We cannot assure you that our customers will not request refunds before we deliver our services. If our customers request refunds after paying us, we cannot assure you that we will have sufficient liquidity to issue those refunds in full, or at all. If we fail to issue refunds as requested by our customers, they may initiate litigation, arbitration, or other administrative proceedings against us. In addition, there is no assurance that we will be able to deliver our services to customers related to receipts in advance at all times as our operations may be subject to various factors that are beyond our control. If we are not able to deliver services to our customers, our receipts in advance will not be recognized as revenue and we may have to refund the advance payment made by our customers. As a result, our liquidity and financial conditions may be adversely affected.

We may require additional funding to finance our operations, which may not be available to us on favorable terms, or at all, to meet our funding requirements.

We currently fund our operations principally through cash flow generated from operations. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalent of US$6.3 million, US$8.7 million and US$25.0 million, respectively. We may need to obtain adequate external debt financing and equity fund raising from external sources to supplement our internal sources of liquidity in the future in order to finance our ongoing operations, improvement of our service offerings, investment in research and development, current and future capital expenditure requirements, other investment plans, and funding requirements.

Our ability to obtain external financing in the future is subject to a variety of uncertainties, including, among other things regulatory approvals to obtain financing in the domestic or international markets, our financial condition, results of operations, cash flows and credit history, the condition of the global and domestic financial markets and changes in the monetary and fiscal policies in China, with resulting effects on bank interest rates and lending practices and conditions.

Financing may not be available in a timely manner or in amounts or on terms acceptable to us, or at all. A large amount of bank borrowings and other debt may result in a significant increase in interest expenses while at the same time exposing us to increased interest rate risks and may also affect our ability to fund our operations and planned developments. If we are required to raise equity financing, this could result in dilution to our Shareholders, and the securities issued in future financings may have rights, preferences and privileges that are senior to those of our Shares. Any failure to raise additional funds on favorable terms or in a timely manner or at all could severely restrict our liquidity and have a material adverse effect on our business, financial condition and results of operations.

Enforcement of stricter labor laws and regulations and increases in labor costs in China may adversely affect our Group's business and results of operations.

We are required by PRC laws and regulations to pay various statutory employee benefits, including pension, housing funds, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance to designated government authorities for the benefit of our employees. The relevant governmental authorities may examine whether an employer has made adequate payments for the statutory employee benefits. We had total 106, 128 and 174 employees as of December 31, 2023, 2024 and 2025, respectively, and we intend to recruit more employees for our expansion in overseas markets including setting up offices and warehouses in Southeast Asia. See "Future Plans and **[REDACTED]**" in this document for more information. We expect that our labor costs, including wages and employee benefits, will continue to increase, which may adversely affect our financial condition and results of operation.

Fluctuations in exchange rates could result in foreign currency exchange loss.

Our business involves transactions with domestic and international suppliers and customers. These transactions are denominated in various currencies, including Renminbi, the U.S. dollar, Euro, Hong Kong dollars, Australian dollar and Pound Sterling. We prepare our consolidated financial statements in the U.S. dollar. This exposes us to both transactional and translational currency exchange risks. Any significant exchange-rate volatility of Renminbi, Euro, Hong Kong dollars, Australian dollar and Pound Sterling against the U.S. dollar may adversely affect our financial conditions and results of operations.

Additionally, the **[REDACTED]** from the **[REDACTED]** will be denominated in Hong Kong dollars. Fluctuations in the exchange rates among Renminbi, the Hong Kong dollar, the U.S. dollar and other foreign currencies will affect the relative purchasing power of the **[REDACTED]** from the **[REDACTED]**.

Fluctuations in the exchange rate may also incur foreign exchange losses and affect the relative value of any dividend issued by us. In addition, appreciation or depreciation in the value of the U.S. dollar relative to the Hong Kong dollar, Renminbi or other currencies may affect our financial results without giving effect to any underlying change in our business, financial conditions or results of operations.

Equity-settled share-based payments may cause shareholding dilution to our existing Shareholders and have an adverse effect on our financial performance.

We had an equity-settled share-based payment arrangement for the benefit of our employees as remuneration for their services provided to us and their contributions to the success of our Group. For the years ended December 31, 2023, 2024 and 2025, we incurred equity-settled share-based payments of US$16.5 million, US$76 thousand and US$24.4 million, respectively. Expenses associated with share-based compensation have affected our profitability and may continue to affect our profitability in the future. If we issue any additional securities under any share-based incentive plans we may adopt in the future, such additional securities will dilute the ownership interests of our shareholders. We believe the granting of share-based incentive awards is of significant importance to our ability to attract and retain key employees, and we plan to grant additional share-based incentive awards in the future. As a result, our share-based compensation expenses may increase, which may have an adverse effect on our results of operations.

RISKS RELATING TO DOING BUSINESS IN PRINCIPAL PLACE OF OUR BUSINESS

Economic, political and social factors affecting global macroeconomic environment may adversely impact our business, financial condition, and results of operations.

Economic conditions in markets where we operate are sensitive to global economic conditions, as well as changes in economic and political policies and the expected or perceived overall economic growth rate in markets where we operate. Any severe or prolonged slowdown in the economy may materially and adversely affect our business, results of operations and financial condition. The global macroeconomic environment faces numerous challenges. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies.

Moreover, macroeconomic growth has been accompanied by periods of high inflation globally. In response, the government authorities have implemented policies from time to time to control the global inflation, such as restricting the availability of credit by imposing tighter bank lending policies or higher interest rates. The government authorities may, from time to time, take similar measures in response to future inflationary pressures worldwide. Rampant global inflation without the government authorities' mitigation policies would likely increase our costs, thereby materially reducing our profitability. There is no assurance that we will be able to pass any additional costs to our customers. On the other hand, such control measures may also lead to slower economic activity globally and we may see reduced demand for our products.

Furthermore, political conditions, such as the tensions in international trade, could materially and adversely affect our business. For instance, constant changes in global trade practices and foreign policies, such as trade protectionism and ongoing trade disputes, may further affect the global economy and markets, including markets where we operate. In addition, trade restrictions, including tariffs, quotas, embargoes, safeguards and customs restrictions, could restrict our abilities to sell products and arrange cross-border deliveries to other markets and thus may negatively impact our results of operations.

Geopolitical tensions have escalated and may continue to escalate due to, among other things, trade disputes, sanctions and regulations that may prohibit or hinder cross-border transactions. Rising political tensions could reduce levels of trades, investments, technological exchanges, and other economic activities globally. Such tensions, and any escalation thereof, may negatively affect trading and business environments, which may, in turn, adversely impacting our business, financial condition, and results of operations.

In addition, various social conditions, such as social unrest, terrorist threats and potential and ongoing wars, may increase market volatility across the globe, which may adversely affect our business, financial condition and results of operations. Specifically, our future expansion and team-building in Southeast Asia are exposed to geopolitical risks. The historical territorial disputes along the Cambodia-Thailand border have previously led to intermittent military skirmishes. Any renewed escalation of such long-standing tensions could result in adverse impacts on our operations, including potential workforce displacement, supply chain disruptions, and increased security-related expenditures.

PRC regulations relating to investments in offshore companies by PRC residents may subject our PRC Subsidiary to liability or penalties, which may adversely affect our business and financial condition.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) which was promulgated by the MOFCOM on September 6, 2014 and became effective on October 6, 2014, the Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) which was promulgated by the National Development and Reform Commission on December 26, 2017, and became effective on March 1, 2018, the Circular of SAFE on Further Simplifying and Improving the Direct Investment — related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》) and other rules (collectively, "**ODI Rules**"), a PRC enterprise is required to undergo relevant procedures and obtain relevant record-filing, approval, certificate or permit (the "**ODI Filing**") prior to its overseas direct investment. Pursuant to the ODI Rules, if a PRC enterprise fails to obtain the ODI Filing prior to its overseas investment, the relevant approval or filing authority has the authority to take corrective measures, such as ordering such enterprise to suspend or cease the implementation of the projects, issuing warnings, ordering such enterprise to correct such non-compliance, or imposing a maximum penalty of RMB300,000.

On September 4, 2017, Ruiyi HK was established as a company with limited liability in Hong Kong. Upon its incorporation, Ruiyi HK was a wholly-owned subsidiary of Fujian Midodo. On September 22, 2023, Midodo Group Inc. acquired the entire equity interest in Ruiyi HK held by Fujian Midodo. Upon completion of such share transfer, Ruiyi HK became a wholly-owned subsidiary of Midodo Group Inc. Pursuant to the ODI Rules, Fujian Midodo shall complete the ODI Filing regarding the aforementioned incorporation and share transfer of Ruiyi HK, failure of which may subject Fujian Midodo to the above corrective measures taken by the competent authorities in accordance with the ODI rules. As advised by our PRC Legal Advisor, Fujian Midodo did not complete such ODI filing. As of the Latest Practicable Date, Fujian Midodo has not received any formal inquiry, notice, warning, sanction, or any regulatory objection from the competent authorities with respect to the aforementioned ODI matters.

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

We are a company incorporated under the laws of the Cayman Islands, and majority of our business, assets and operations are located in China and Hong Kong. In addition, the majority of our Directors and executive officers reside in China, and substantially all of the assets of such Directors and executive officers are located in China. As a result, you may experience difficulties when you directly effect service of process upon us or such Directors or executive officers.

Pursuant to arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院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》), which came into effect on January 29, 2024, a party with an enforceable final court judgment rendered by any designated people's court of Mainland China or any designated Hong Kong SAR court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people's court of Mainland China or Hong Kong SAR court. Moreover, Mainland China has not entered into a treaty for the reciprocal recognition and enforcement of court judgments with the United States, the United Kingdom, Japan and many other countries. In addition, Hong Kong SAR has no arrangement with the United States for reciprocal enforcement of judgments. In accordance with the Civil Procedure Law of the PRC and other applicable law and regulations, a court judgment obtained in the United States and any of the other jurisdictions mentioned above may be recognized and enforced in Mainland China or Hong Kong SAR in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between Mainland China and the country where the judgment was made.

We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute profits to us, if our resident shareholders or beneficial owners in the PRC fail to comply with relevant PRC foreign exchange regulations.

The SAFE has promulgated several regulations that require the PRC residents and the PRC corporate entities to register with and obtain approval from local branches of the SAFE in connection with their direct or indirect offshore investment activities. The Circular on Issues Concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Companies (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知), or SAFE Circular 37, was promulgated by the SAFE in July 2014 and the Circular on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知), or SAFE Circular 13, issued on February 13, 2015, that require the PRC residents or entities to register with the local banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. These regulations apply to our shareholders who are PRC residents and may apply to any offshore acquisitions that we make in the future.

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE affiliates or local banks, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange regulation.

However, we may not at all times be fully aware or informed of the identities of all our shareholders or beneficial owners that are required to make such registrations, and we cannot compel our beneficial owners to comply with SAFE registration requirements in a timely manner. We cannot assure you that all of our shareholders or beneficial owners who are PRC residents have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations.

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

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

In April 2009, the State Administration of Taxation, or SAT, issued the Circular of the State Administration of Taxation on Issues Relating to Identification of PRC-Controlled Overseas Registered Enterprises as Resident Enterprises in Accordance With the De Facto Standards of Organizational Management (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or SAT Circular 82, which provides certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in the PRC. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those not controlled by PRC enterprises or PRC enterprise groups like us, the criteria set forth in the circular may reflect the SAT's general position on how the "de facto management body" test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its "de facto management body" in the PRC and will be subject to the PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise's primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. On July 27, 2011, SAT issued the Administrative Measures for Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》), or SAT Bulletin 45, which became effective on September 1, 2011 and revised on June 15, 2018, to provide more guidance on the implementation of SAT Circular 82. Bulletin 45 clarifies certain issues related to determining PRC resident enterprise status, including which competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration. Currently, most of the members of our management team are located in China. Circular 82 and Bulletin 45 only apply to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreign corporations like us. If the PRC tax authorities determine that our Company or any of our subsidiaries outside of the PRC is a PRC resident enterprise for the PRC enterprise income tax purposes, then our Company or such subsidiary could be subject to the PRC tax at a rate of 25% on global income, which could materially reduce our net profit.

Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, dividends paid by us and gains realized on the sale or other disposition of our ordinary shares may be subject to the PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such dividends or gains are deemed to come from the PRC sources. Any such tax on the dividends received by our shareholders from us may be withheld at source. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your **[REDACTED]** in our Shares.

The heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our potential acquisition or restructuring strategy or the value of your [REDACTED] in us.

The SAT issued the Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the "**SAT Circular 7**") on February 3, 2015, which came into effect on the same day. The SAT Circular 7 covers not only indirect transfer but also transactions involving transfer of immovable property in China and assets held under the establishment and place, in China of a foreign company through the offshore transfer of a foreign intermediate holding company. The SAT Circular 7 also provides criteria on how to assess reasonable commercial purposes and introduces safe harbor scenarios applicable to internal group restructuring. Where a non-resident enterprise indirectly transfers equity interests or other assets of a PRC resident enterprise by implementing arrangements that are not for reasonable commercial purposes to avoid its obligation to pay enterprise income tax, such an indirect transfer shall, in accordance with the EIT Law, be recognized by the competent PRC tax authorities as a direct transfer of equity interests or other assets of the PRC resident enterprise.

On October 17, 2017, the SAT promulgated the Announcement on Matters concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (the "**SAT Circular 37**"), which came into force and replaced certain provisions in the SAT Circular 7 on December 1, 2017 and was partly amended on June 15, 2018. The SAT Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises. Pursuant to the SAT Circular 37, where the party responsible for withholding such income tax fails to, or is unable to, withhold the taxes that should have been withheld to the relevant tax authority, the party may be subject to penalties. Where the non-resident enterprise receiving such income fails to declare and pay taxes that should have been withheld to the relevant tax authority, the party may be ordered to rectify within a specific time limit.

We are confronted with various factors about the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by **[REDACTED]** that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us, and cannot predict the final results. Our Company and other non-resident enterprises of ours may be subject to filing obligations or being taxed if our Company and other non-resident enterprises of ours are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises of ours are transferees in such transactions. For the transfer of shares in our Company by **[REDACTED]** that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-resident enterprises of ours should not be taxed under these rules and notices. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our non-PRC resident **[REDACTED]** may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices.

We are subject to the currency exchange regulatory system.

The conversion of RMB is subject to applicable laws and regulations in the PRC. Under the current PRC foreign exchange control system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the **[REDACTED]**, we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or to satisfy any other foreign exchange requirements, or to capitalize our capital expenditure plans, and even our business, operating results and financial condition, may be affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for the Shares and the liquidity and market price of our Shares may be volatile.

Prior to completion of the **[REDACTED]**, there has been no public market for our Shares. There can be no guarantee that an active **[REDACTED]** market for our Shares will develop or be sustained after completion of the **[REDACTED]**. The **[REDACTED]** is the result of negotiations among our Company and the **[REDACTED]** (for itself and on behalf of the **[REDACTED]**), which may not be indicative of the price at which our Shares will be **[REDACTED]** following completion of the **[REDACTED]**. The market price of our Shares may drop below the **[REDACTED]** at any time after completion of the **[REDACTED]**.

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

The **[REDACTED]** price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the PRC, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies engaging in similar business may affect the volatility in the price of and **[REDACTED]** volumes for our Shares. In addition to market and industry factors, the price and **[REDACTED]** volume of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies listed on the Hong Kong Stock Exchange with significant operations in China have experienced price volatility in the past, and it is possible that our Shares may be subject to changes in price not directly related to our performance. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Controlling Shareholders, could adversely affect the market price of our Shares.

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

The Shares held by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which **[REDACTED]** in our Shares commences on the Hong Kong Stock Exchange. See "**[REDACTED]** — **[REDACTED]** Arrangements and Expenses — Undertakings pursuant to the **[REDACTED]** — Undertakings by the Controlling Shareholders" for more information. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares or other equity securities in the future.

As the **[REDACTED]** of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the **[REDACTED]**, purchasers of our Shares 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 will 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 Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. In addition, purchasers of our Shares may experience further dilution of their interest if the **[REDACTED]** is exercised or if we issue additional shares in the future to raise additional capital.

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

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an **[REDACTED]** in our Shares as a source for any future dividend income.

Our Board has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our shareholders may, by ordinary resolution, declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your **[REDACTED]** in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased our Shares. You may not realize a return on your **[REDACTED]** in our Shares and you may even lose your entire **[REDACTED]** in our Shares.

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

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are, to a large extent, governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedents in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedents in existence in the jurisdictions where minority Shareholders may be located. See "Appendix III — Summary of the Constitution of the Company and Cayman Companies Act". As a result of all of the above, minority Shareholders may enjoy different remedies when compared to the laws of the jurisdiction such shareholders are located in.

The document includes certain information and other statistics derived from publicly available sources, which have not been independently verified by us.

This document, particularly the section headed "Industry Overview" contains information and statistics relating to the cross-border e-commerce industry and cross-border e-commerce marketing service industry. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible. The information from these sources has not been independently verified by us, the Sole Sponsor, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]** and the **[REDACTED]**, the **[REDACTED]** or any other party involved in the **[REDACTED]**, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, there has been press and media coverage regarding us and the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not 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.