RISK FACTORS

An [**REDACTED**] *in our H Shares involves significant risks. You should carefully consider all of the information in this Document, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to* [**REDACTED**] *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such event, the* [**REDACTED**] *of our H Shares could decline, and you may lose all or part of your* [**REDACTED**].

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-Looking Statements" in this Document.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

The enterprise cognitive intelligence algorithm industry in which we operate is characterized by intense competition and constant changes. If we fail to continuously innovate and adapt to evolving customer needs, our competitive position would be impacted and our business, financial condition and results of operations may be materially and adversely affected.

We operate in the enterprise cognitive intelligence algorithm industry, which is characterized by constant change. The industry is highly competitive, with numerous participants, many of whom may possess greater technical, financial, and resources than we do. If we fail to compete effectively or to differentiate ourselves from competitors, our pricing power and market position could be weakened, materially and adversely affecting our business, financial condition, and results of operations.

At the same time, the industry is undergoing rapid technological evolution, frequent product introductions, continual shifts in customer demands, and periodic emergence of new industry standards and practices. Our success depends on our ability to respond to these changes in a timely and effective manner. If we are unable to keep pace with innovation cycles or adapt to new technology trends and customer needs, our products may lose competitiveness and adverse impacts on our business, financial condition, and results of operations.

We may not be able to sustain our historical growth, and our historical growth may not be indicative of our future growth or financial results.

We have achieved rapid growth during the Track Record Period. Our total revenue increased from RMB65.6 million in 2023 to RMB134.7 million in 2024, and further to RMB473.6 million in 2025. However, there is no assurance that we will be able to sustain our historical growth rates in future periods. Our growth rates may decline for a number of reasons, including macroeconomic conditions, technology development in the global enterprise cognitive intelligence algorithm industry, availability of AI talents, increasing enterprise awareness to adopt cognitive intelligence solutions, our continued investment in technological innovation, and our ability to attract and retain our customers. We cannot assure you that we will be able to effectively manage our growth or implement our business strategies. If the market for our products does not develop as we expect or if we fail to address the needs of this dynamic market, our business, results of operations and financial condition will be materially and adversely affected.

If we fail to retain existing customers, attract new customers or increase the spending by our customers, our business and results of operations may be materially and adversely affected.

We have been expanding our customer base to cover various industries. Our abilities to retain existing customers, attract new customers, as well as increase the spending by existing customers depend on a number of factors, including our ability to offer effective products that address the evolving needs of our customers at competitive prices, the strength of our technologies and the effectiveness of our sales and marketing efforts. If we fail to retain existing customers or attract new customers, we may not be able to grow our revenue as quickly as we anticipate, or at all. As our customer base grows and diversifies into other sectors, we may be unable to provide customers with products that meet the specific demand of such customers, and we may be unable to provide quality customer support, which could result in customer dissatisfaction, decreased overall demand for our solutions and loss of expected revenue. In addition, our inability to meet customer expectations may damage our reputation and could consequently limit our ability to retain existing customers and attract new customers, which would materially and adversely affect our business, results of operations, financial condition and prospects.

If the market for our products fails to grow as we expect, or if our customers or potential customers fail to adopt our products, our business, operating results, and financial condition could be adversely affected.

It is difficult to predict user adoption rates and demand for our cognitive intelligence products, the entry of competitive products, or the future growth rate and size of the industry. Although the demand for data management and analytics platforms and applications has been growing in recent years, the market for these platforms and applications continues to evolve. We cannot be sure that the demand of enterprise cognitive intelligence algorithm industry in China will continue to grow or, even if it does grow, that businesses will adopt our products. Our future success will depend in large part on our ability to further penetrate the markets where we operate. Our ability to further penetrate such markets depends on a number of factors, including the cost, performance and perceived value associated with our solutions, as well as users' willingness to adopt our solutions. We have spent, and intend to keep spending, considerable resources to educate potential users about AI in general and our solutions in particular. However, we cannot be sure that these expenditures will help our solutions achieve any additional market acceptance. Furthermore, potential users may be unwilling to invest in novel solutions. If the market fails to grow or grows slower than we expect or enterprises fail to adopt our solutions, our business, operating results and financial condition could be adversely affected.

We have made and expect to continue to make substantial investments in R&D. If we cannot continuously invest in our R&D activities while achieving technological innovation, our business, results of operations, financial condition and prospects may be materially and adversely affected.

Our technological capabilities and infrastructure are critical to our success. To maintain the competitiveness, we have made substantial investments in our research and development. Our research and development expenses increased from RMB83.2 million in 2023 to RMB107.3 million in 2024 and further to RMB114.3 million in 2025. The industries in which we operate are characterized by rapid technological changes and are constant technological innovation. We need to allocate significant financial and other resources to research and development in order to enhance the functionality, performance, and competitiveness of our products. As a result, we expect that our research and development expenses will remain relatively high for the foreseeable future.

However, our expenditures on research and development may not generate corresponding benefits. We have been constantly focusing on advancing the deep integration and performance optimization of algorithms, software, and hardware, with particular emphasis on usability, scalability, and alignment with evolving industry standards and user needs. However, there is no guarantee that all of our efforts on research and development can yield anticipated benefits. Research and development activities are inherently uncertain, and we may not be able to obtain and retain sufficient resources, including qualified research and development personnel. It is possible that our research and development efforts may ultimately prove unsuccessful. Even if we succeed in our research and development efforts and achieve the results we expect, such results may not materialize within the expected timeframe, and we may still encounter practical difficulties in commercializing our research and development results. In addition, even successfully developed products may not achieve market acceptance to the extent we anticipate. Moreover, given the rapid pace of innovation in the global enterprise cognitive intelligence algorithm industry, new technological developments could render our current or future technologies obsolete or less competitive, thereby limiting our ability to recover related development costs, which could result in a decline in our revenues, profitability and market share.

As we continue to grow, expand into new application scenarios and sectors and develop new offerings, we may not be able to effectively manage our operations or operational disruptions, which could negatively impact our operational performance, financial condition and results of operations.

We have experienced significant growth in recent years, and our future operating results will depend to a large extent on our ability to successfully manage our expansion and operational complexity. As we grow, we face risks including managing a larger organization, expanding and coordinating our supply chain, controlling expenses and investments, establishing or expanding research and development, sales and service capabilities, implementing and enhancing administrative systems and processes, improving operational, financial and management controls, and addressing new markets and unforeseen challenges.

Leveraging our capabilities in enterprise cognitive intelligence algorithm industry, we continue to develop new offerings and expand into additional application scenarios. Expansion into new application scenarios involves significant risks. We may have limited operating experience in certain new application areas, which may make it more difficult to anticipate customer requirements, technical specifications, operational constraints and purchasing behaviors. Established providers in specific application areas may compete more effectively by leveraging their industry experience, customer relationships and brand recognition. In addition, new application scenarios may subject us to additional industry-specific laws, regulations, safety standards or technical requirements. Expansion into new application areas and development of new offerings may require substantial research and development investment and management resources before generating meaningful revenue, and such new offerings may have different cost structures or lower margins than our existing products, which could exert downward pressure on our overall operating margins.

We have recorded net loss and operating cash outflows during the Track Record Period, and recorded net current liabilities as of December 31, 2023 and 2024, and we may not be able to achieve or subsequently maintain profitability.

We have recorded net loss and operating cash outflows during the Track Record Period, and recorded net current liabilities as of December 31, 2023 and 2024. We believe that our future abilities to achieve profitability and generate positive operating cashflow will depend on, among other factors, our ability to develop new technologies, enhance customer experience, establish effective monetization strategies, compete effectively and successfully, and continuously grow our customer base and revenues in a cost-effective way by improving our operational efficiency. Moreover, our ability to obtain additional capital in the future, however, is subject to a number of uncertainties, including those relating to our future business development, financial condition and results of operations, general market conditions for financing activities by companies in our industry and macro-economic and other conditions in China and globally. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected. Accordingly, you should not rely on our historical results of operations as an indication of our future performance. We also expect our costs and expenses to significantly increase in future periods as we continue to expand our business and operations. In addition, we expect to incur substantial costs and expenses as a result of being a public company. If we are unable to generate adequate revenues and manage our costs and expenses, we may continue to incur significant losses in the future and our net losses may increase compared to prior years, and we may not be able to achieve or subsequently maintain profitability.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense.

Our results of operations may fluctuate, in part, because of the complexity of user problems that our solutions address, the resource-intensive nature of our sales efforts, the length and variability of the sales cycle of our solutions, and the difficulty in making short-term adjustments to our operating expenses. Our sales cycle primarily consists of initial communications with customers, evaluation and design, proof of concept and contracts execution. As we primarily focus on providing services to large-scale lighthouse users, we may spend significant time in communications with customers, evaluation and design, thereby resulting in longer sales cycles. Our sales cycles are difficult to predict. The length of our sales cycle is typically a few months on average can vary substantially from customer to customer and can extend over one year for some customers. According to Frost & Sullivan, such long sales cycle is consistent with industry norm of the enterprise cognitive intelligence algorithm market in China. Our sales efforts involve educating our users about the usage, technical capabilities and benefits of our solutions. Users often undertake a prolonged evaluation process, which frequently involves not only our solutions but also those of other companies.

Our go-to-market strategy starts with market leaders in each industry we target to enter, who are also early adopters of AI. Sales to such large-scale enterprises involve risks that may not exist or that exist but to a lesser extent in sales cycles of smaller entities, such as longer sales cycles, more complex customer requirements (and higher contractual risk as a result), substantial upfront sales costs, less favorable terms and less predictability in completing some of our sales. For instance, we invest resources into sales to large organizations, which typically undertake a significant evaluation and negotiation process due to their leverage, size, organizational structure and approval requirements, all of which may lengthen our sales cycle. We may also need to provide more complicated deployment of our solutions or face unexpected deployment challenges with large organizations. Moreover, large enterprises often deploy our solutions on a limited basis at the beginning, but nevertheless demand configuration, integration services and price negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our solutions widely enough across their organization to justify our substantial upfront investment. We may incur substantial expenses, time and efforts on sales to large organizations without any assurance that these customers will deploy our solutions widely enough across their organization, or at all, to justify our substantial upfront investment. As a result, it is difficult to predict exactly when, if ever, we will make a sale to a potential customer or increase sales to our existing customers.

If we are unable to protect or promote our brand and reputation, our business may be materially adversely affected. Negative publicity or rumors about us, our products, our management, directors, employees, shareholders, business partners or their affiliates or our industry in general may adversely affect our reputation and business.

We must maintain and enhance our brand identity while increasing market awareness of the reputation of our business and products. The successful promotion of our brand depends on our ability to achieve widespread acceptance of our products, attract and retain customer, maintain our current market share, and successfully differentiate our products from those of our competitors.

Achieving these goals require substantial expenditures, and we anticipate expenses to increase as we expand into new markets. In addition to marketing and advertising costs, we may need to invest in customer support, public relations, community engagement, and compliance mechanisms to reinforce positive brand perception. However, there is no assurance that these investments will result in increased revenue, or that any revenue growth will be sufficient to offset the associated expenses.

Moreover, even isolated incidents, such as unintended outputs generated by our AI models, miscommunication by company representatives, or negative feedback from influential users or media, can quickly escalate online and undermine years of brand-building efforts. Damage to our brand or reputation could lead to customer attrition, reduced pricing power, increased customer acquisition costs, or reluctance from potential partners and [**REDACTED**] to engage with us. Any of these factors could materially and adversely affect our business, financial condition, results of operations and growth prospects.

If we are unable to ensure compatibility of our products with a variety of hardware and software platforms, database and software applications developed by others or by our clients, we may become less competitive and our results of operations may be materially and adversely affected.

Our solutions may be integrated with a variety of hardware and software platforms and software applications, and we need to modify and enhance our solutions to adapt to changes in hardware and software technologies in a timely and cost-effective manner. Compatibility of our solutions and hardware and software developed by others is critical to the performance of our solutions. Failure to ensure compatibility of our solutions may negatively affect our competitive edge, and our business results of operations and financial condition would be harmed.

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

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

If we fail to obtain and maintain the requisite licenses and approvals required under the regulatory environment applicable to our business, or if we are required to take actions that are time consuming or costly in order to obtain and maintain such licenses and approvals, our business, financial condition and results of operations may be materially and adversely affected.

Under the current PRC regulatory scheme, a number of governmental authorities, including but not limited to the MIIT, MPS, CAC, jointly regulate major aspects of our industries. As confirmed by our PRC Legal Advisor, as of the Latest Practicable Date, we have obtained all the requisite licenses relating to principal businesses that are material to the operation of the business we engage in China. However, we cannot assure you that we can successfully update or renew the licenses required for our business in a timely manner or that these licenses are sufficient to conduct all of our present or future business. The interpretation and implementation of existing and future laws and regulations governing our business activities may change from time to time in the future. If we fail to complete, obtain or maintain any of the required licenses or approvals or make the necessary filings, we may be subject to various penalties, such as confiscation of the revenue that was generated through the affected operations, the imposition of fines and the discontinuation or restriction of our operations. Any such penalties may disrupt our business operations and materially and adversely affect our business, financial condition and results of operations.

Our success depends on the continued contributions of our senior management and key employees. Failure to attract, recruit, retain, and motivate such qualified personnel could materially and adversely affect our business and growth prospects.

Our business is highly dependent on certain individuals whose leadership, vision, and technical expertise are not readily replaceable. The market for high-caliber workers and leaders in our industry is extremely competitive. To execute our business strategies successfully, we must attract, retain and motivate our senior management and key employees. In particular, hiring qualified executives, scientists, engineers, technical staff and research and development personnel is costly and critical to our business. Competition for personnel results in increased costs in the form of cash and stock-based compensation. Nonetheless, we must recruit and develop diverse qualified personnel to remain competitive in our industry. If one or more of our key employees, including senior executives or core technical personnel, were to depart unexpectedly, such departures could disrupt our operations, delay product development or strategic initiatives, and result in the loss of valuable institutional knowledge. Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. If we are less successful in our recruiting efforts, or if we cannot retain key employees or their knowledge, our ability to develop and deliver successful products may be adversely affected. Such events may also lead to reputational harm, decreased employee morale, and potential reluctance from customers or partners to continue existing or prospective engagements.

The interpretation and application of employment-related laws to our workforce practices may result in increased operating costs and less flexibility in how we meet our workforce needs. Changes in immigration and work permit laws and regulations or the administration or interpretation of such laws or regulations could impair our ability to attract and retain highly qualified employees. If we do not continue to anticipate and address the needs of our employees sufficiently and/or in a timely manner, their productivity could be impacted, or we could fail to retain them, which could have a material adverse impact on our future business operations, results of operations and financial condition.

We face risks related to changes in global and regional macroeconomic conditions, geopolitical tensions, regional conflicts, terrorist activities, natural disasters, health epidemics and other outbreaks of contagious diseases, and other force majeure events, any of which could materially and adversely affect our business operations, financial condition, results of operations and prospects.

Uncertainties about global economic conditions, regulatory changes, geopolitical tensions and other factors, including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and materially and adversely affect demand for our products. A deteriorating global economic outlook could result in a slowdown in business investment, tighter budget allocations for technology spending, and greater pricing sensitivity among customers, which may in turn reduce the market adoption of our products and services.

Geopolitical tensions, shifts in international trade policies, regulatory developments, and volatility in global financial and commodities markets may also affect cross-border business activities, supply chain stability, capital flows, and the cost and availability of funding. The long-term effects of monetary and fiscal policy actions in major economies remain uncertain and may contribute to additional market instability.

In addition, natural disasters, public health emergencies, acts of war, terrorism, and other force majeure events beyond our control may disrupt our operations, including research and development, manufacturing, and commercialization activities. Any significant or prolonged downturn in global or regional economic conditions could materially and adversely affect our business, financial condition, results of operations, and prospects.

We are exposed to the risks associated with doing business internationally.

As we plan to expand our operations to additional overseas markets and regions, we may have to adapt our business models to the local market due to various legal requirements and market conditions. Our international operations and expansion efforts may result in increased costs and are subject to a variety of risks, including increased competition, uncertain enforcement of our intellectual property rights, unfamiliar market conditions and the complexity of compliance with Chinese and foreign laws and regulations.

We also could be significantly affected by other risks associated with international activities including, but not limited to, economic and labor conditions, increased duties, taxes and other costs and political instability. Sales of our solutions in foreign countries could be materially and adversely affected by international trade regulations, including duties, tariffs and antidumping penalties. We are also exposed to credit and collectability risk on our trade receivables with customers in certain international markets. There can be no assurance that we can effectively limit our credit risk and avoid losses.

We may be subject to complex and evolving laws and regulations regarding privacy and data protection.

In recent years, government authorities across the world have been increasingly focusing on privacy and data protection. Particularly in China, the substantial base of our business operations, the PRC government has enacted a series of laws and regulations on the protection of personally identifiable data in the past few years. See "Regulation Overview — Laws and Regulations Relating to the Protection of Cyber Security, Data and Privacy". We may be subject to laws and regulations regarding privacy and data protection in China and other areas and jurisdictions. In addition, as our customers expand their footprints globally, they may leverage our solutions in other countries or territories outside China and are thus required to comply with laws and regulations regarding privacy and data protection in such jurisdictions. As a result, we may be required to upgrade our solutions to help them comply with such laws and regulations.

We have adopted various measures to ensure legal compliance. See "Business — Data Privacy and Security" for more information. However, the laws and regulations regarding privacy and data protection in China, as well as in other jurisdictions, are generally complex and evolving, with uncertainty as to the interpretation and application thereof. As such, we cannot assure you that our privacy and data protection measures are, and will be, always considered sufficient under applicable laws and regulations. Additionally, the effectiveness of our privacy and data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential users from using our solutions and could subject us to significant legal, financial and operational consequences.

We may incur substantial costs to comply with applicable laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations and to establish and maintain internal compliance policies.

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

From time to time, we evaluate and consider a wide array of investment and acquisition opportunities that we believe can extend and solidify our leading market position as part of our overall business strategy. We may be engaged in discussions or negotiations with respect to one or more of these types of transactions. These transactions involve significant challenges and risks, including: difficulties in integrating the acquired personnel, operations, solutions and/or services into our operations; potential issues with technology, internal controls and financial reporting of the companies we acquire; disruptions of our ongoing business, distractions of the attention of our management and employees and increase of our expenses; loss of skilled professionals and established client relationships of the businesses we invest in or acquire; for investments over which we do not obtain management and operational control, lack of influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in such investments; new regulatory requirements and compliance risks that we become subject to as a result of investments or acquisitions in new industries or otherwise; actual or alleged misconduct or noncompliance by any company we acquire or invest in (or by its affiliates) that occurred prior to our acquisition or investment, which may lead to negative publicity, government inquiry or investigations against such company or against us; unforeseen or hidden liabilities or costs that may adversely affect us following our acquisition of such targets; compliance matters including the antimonopoly and competition laws, rules and regulations of the PRC and other countries in connection with any proposed investments and acquisitions; the risk that any of our pending or other future proposed investments or acquisitions does not close; the costs of identifying and consummating investments and acquisitions; the use of substantial amounts of cash and potentially dilutive issuances of equity securities; the occurrence of significant goodwill impairment charges and amortization expenses for other intangible assets; and uncertainties in achieving the expected benefits of synergies and growth opportunities in connection with these acquisitions and investments. Any such negative developments described above could disrupt our existing business and have a material adverse effect on our business, reputation, financial condition and results of operations.

The technology infrastructure we relied on and our products provided to our customers may experience system failures, interruptions, security breaches, cyberattacks, or other technical inadequacies. Our brand, reputation, business, financial conditions or results of operations may be materially and adversely affected if we fail to effectively identify and rectify these problems in a timely manner.

The technology infrastructure we relied on and products may encounter disruptions or other outages caused by problems or defects in our own technologies and systems, such as malfunctions in software or network overload. The technology infrastructure we relied on may also be vulnerable to damage or interruption caused by security breaches, cyberattacks, human error or other technical inadequacies. The occurrence of unanticipated problems that affect the technology infrastructure we relied on could result in interruptions in the availability of our products. It may be difficult for us to respond to such interruptions in a timely manner, or at all. Such interruptions may affect the ability of users to use our products, which would damage our reputation, reduce our future revenues, harm our future profits, subject us to regulatory scrutiny and lead our users to seek alternative products.

It is possible that our security controls and other security practices we follow may not prevent the improper access to or disclosure of personal data or proprietary information. We also rely on systems provided by third parties, which may also suffer security breaches or unauthorized access to or disclosure of personal data or proprietary information. Additionally, our business involves the processing, storage, transmission and processing of confidential and user data, including user data, and the deployment of our IT resources in a safe and secure manner that does not expose our network systems to security breaches or the loss of data. Any data security incidents, including internal malfeasance by our employees, unauthorized access or usage, virus or similar breach or disruption of us or our service providers could result in loss of confidential or proprietary information or personal data, damage to our reputation, loss of users, litigation, regulatory investigations, fines, penalties and other liabilities. Accordingly, if our cybersecurity measures or those of our users fail to protect against unauthorized access, attacks (which may include sophisticated cyber-attacks), the compromise or mishandling of data, or other misconduct or malfeasance, including by computer hackers, employees, contractors, vendors, users and business partners, as well as software bugs, human error or technical malfunctions, then our reputation, business, operating results and financial condition could be adversely affected.

Furthermore, the technology infrastructure we relied on is also vulnerable to damages from fires, floods, earthquakes and other natural disasters, power loss and telecommunications failures. Any network interruption or inadequacy that causes interruptions to our operations, or failure to maintain the network and server or solve such problems in a timely manner, could reduce our user satisfaction, which in turn could adversely affect our reputation, business and financial condition.

We depend on third party business partners in our business operations. Such arrangements reduce our control over the quality, development, and deployment of our solutions and could harm our business.

We engage third parties in our business operations. We procure certain hardware components from third party vendors. We also outsource certain non-core and less sophisticated R&D processes and deployment of our solutions to third party vendors. Such arrangements may reduce our direct control over the quality, development and deployment of our products. We may experience operational difficulties with our third party vendors, including reductions in the availability of production capacity, failures to comply with product specifications, insufficient quality control and failures to meet deployment schedules. Our third party vendors may experience disruptions in their operations due to equipment breakdowns, labor strikes or shortages, natural disasters, material shortages, cost increases, environmental noncompliance issues or other similar problems. In addition, we may not be able to renew contracts with our third party vendors or identify substitute partners. Although arrangements with these vendors may contain provisions for warranty expense reimbursement, we may remain responsible to the customer for warranty service in certain events. Any failure of our third party vendors to perform their responsibilities or to be in compliance with all applicable laws and regulations may have a material negative impact on our business.

If the data used by/maintained by our customers are out of date, inaccurate or lacking credible information, the performance of our products will be adversely affected, which could adversely impact our business.

Low quality or inaccurate data could materially affect the performance of our products. We cannot ensure the accuracy and timeliness of the various sources of data that our users use in utilizing our solutions for various reasons. For example, the information available to our users may be limited. As a result, the data labels may be out of date, inaccurate or lacking credible information. In such events, our solutions may not be able to generate satisfactory results. Consequently, there may be negative conceptions about our solutions and services, which could adversely affect our reputation, business operations and financial performance.

Our use of open-source technology could impose limitations on our business operations.

We use open-source software in some of our platform and expect to continue to use open-source software in the future. We may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source software, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our software and platform. In such an event, we may be required to seek licenses from third parties to continue commercially offering our software, to make our proprietary code generally available in source code form, to re-engineer our software or to discontinue the sale of our software if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business and revenue.

To address risks relating to our utilization of open-source software, such as risks of allegations of the ownership of open-source license, we have established an Open Source Review Board, who leads the formulation and implementation of a series of internal management protocols regarding utilization of open source software. Measures in such internal protocols includes, without limitation: (i) before utilizing any open-source software, performing prudent assessment for open-source software to ensure such software is properly licensed and our expected usage scope of such software is within the authorization of license, so that we can mitigate the risks relating to allegations of the ownership of open-source license; (ii) strictly monitoring the utilization of open-source software to manage the license and codes thereof and ensure the compliance with open source authorizations; and (iii) inspecting the deliverable software that we developed with open-source software and replacing or amending any open-source components if there are risks in compliance with open-source licenses.

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

Our business operations could be harmed by actual or perceived material defects or errors in our solutions.

The technology underlying our cognitive intelligence products is inherently complex and may contain material defects or errors, particularly when new products are first introduced, when new features or capabilities are released or when integrated with new or updated third-party hardware or software. There can be no assurance that our existing AI solutions will not contain defects or errors. Any real or perceived errors, failures, vulnerabilities, or bugs in our AI solutions could result in negative publicity or lead to performance issues, all of which could harm our business. Correcting such defects or errors may be costly and time consuming. Moreover, the harm to our reputation and legal liability related to such real or perceived defects or errors may be substantial and would harm our business.

We are subject to various risks relating to third-party settlements.

During the Track Record Period, we settled some of the payments of our customers with us through third-party payers (the "Third-Party Payers"). In 2023, 2024 and 2025, the aggregate amount of third-party payments (the "Third-Party Payments") we received from Third-Party Payers was nil, RMB5.4 million and RMB11.0 million, respectively, which accounted for nil, 4.0% and 2.3% of our total revenue for the corresponding year. We were subject to various risks relating to such Third-party Payment arrangements during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of Third-Party Payers; and (ii) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the Third-Party Payers. In the event of any claims from Third-Party Payers or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us to demand return of the relevant payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payment for the products that we sold. Our financial condition and results of operations may as a result be adversely affected.

Confidentiality agreements and non-compete covenants with employees and other third parties may not adequately prevent the disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to the development of our technology and know-how. We cannot assure you that these agreements will not be breached, that we will have adequate remedies for any breach in time or at all, or that our proprietary technology, know-how or other intellectual property will not otherwise become known to third parties. Similarly, if we recruit employees who breached confidentiality or non-compete covenants with their prior employers, we may become subject to claims that such employees have improperly used or disclosed trade secrets or other proprietary information in violation of their confidentiality, non-compete covenants in a way that benefits us. In addition, others may independently discover trade secrets and proprietary information, limiting our ability to assert any proprietary rights against such parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive position.

Unauthorized use of our intellectual properties by third parties may harm our brands and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business.

We regard our copyrights, trademarks, trade secrets and other intellectual properties as critical to our success and rely on a combination of trademark and copyright laws, trade secrets protection, restrictions on disclosure and other agreements that restrict the use of our intellectual properties to protect these rights. Although our contracts with our business partners prohibit the unauthorized use of our brands, images, characters and other intellectual property rights, we cannot assure you that they will always comply with these terms. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

Policing unauthorized use of our proprietary technology, trademarks and other intellectual property is difficult and expensive, and litigation may be necessary to enforce our intellectual property rights. Future litigation could result in substantial costs and diversion of our resources and could disrupt our business, as well as materially and adversely affect our financial condition and results of operations.

We have designed and adopted strict internal procedures to ensure the adequate protection of our intellectual property rights, including but not limited to, patents, copyrights, proprietary technologies, trade secrets and trademarks. Our legal department examines the contract terms and reviews all relevant documents for our business operations, including licenses and permits obtained by the counterparties or us to perform contractual obligations and all the necessary underlying due diligence materials, before we enter into any contract or business arrangements. In addition, our legal department is responsible for obtaining any requisite governmental pre-approvals or consent, including preparing and submitting all necessary documents for filing with relevant government authorities within the prescribed regulatory timelines and ensuring all necessary application, renewals or filings for trademark, copyright and patent registration have been timely made to the competent authorities. See "Business — Risk Management and Internal Control." Regarding management of risks relating to third-party vendors whom we engage for certain non-core and unsophisticated R&D processes, we take various measures to ensure our proprietary technologies and other intellectual properties are adequately protected, including but not limited to: (i) performing due diligence on the third-party vendors before we engage them and including relevant intellectual properties terms in contracts to prevent any risks and issues with intellectual properties beforehand; (ii) formulating and implementing confidentiality policies with respect to our cooperation with third-party vendors to prevent leaks of our proprietary technologies and trade secrets; and (iii) implementing the same management standard on product components provided by third parties as those developed by us, and including relevant contract terms to mitigate our risks arising from such third-parties' usage of open-source software.

We may be subject to intellectual property infringement claims, which could be time consuming or costly to defend and may result in diversion of our financial and management resources, and indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights or other intellectual property rights held by third parties. We may from time to time be subject to such proceedings and claims. We cannot assure you that holders of patents purportedly relating to some aspect of our technology infrastructure or business, if any such holders exist, would not seek to enforce such patents against us in China or any other jurisdictions. Further, the application and interpretation of China's patent laws and the procedures and standards for granting patents in China are still evolving and may change from time to time in the future, and we cannot assure you that PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against such infringement or licensing allegations and claims is costly and time consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or an injunctive relief was issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, financial position and results of operations could be materially and adversely affected.

Further, our agreements with customers and other third parties generally include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could harm our business, results of operations and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, generally, those limitations may not be fully enforceable in all situations, and we may still incur substantial liability under those agreements. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

If we fail to protect our proprietary information, trade secrets and know-how, or if disputes arise regarding ownership of intellectual property developed in the course of our business, our competitive position and business could be materially and adversely affected.

To protect our technologies and innovations, we rely on a combination of intellectual property rights, including patents, trade secrets, and proprietary know-how. We have implemented measures such as confidentiality agreements, intellectual property ownership provisions in employment and consulting agreements, and internal policies, along with physical and electronic security controls. However, these measures may not always be adequate. They could be breached, circumvented, or otherwise fail to prevent unauthorized disclosure, use, or misappropriation of our proprietary information. Such agreements may also be limited in duration, subject to interpretation, or fail to provide an effective remedy in the event of breach.

We may not always be able to ensure that all employees, consultants, contractors, suppliers, scientific advisers or other third parties who have access to our proprietary information have executed appropriate agreements, and even where agreements exist, we have limited control over the protection of trade secrets by third-party manufacturers, partners or collaborators. Our proprietary information may become known or be independently developed by competitors or other third parties, including through unauthorized disclosure or reverse engineering. In addition, laws in certain jurisdictions where we operate may provide limited protection for trade secrets or may make enforcement difficult.

We may also face disputes regarding the ownership or scope of intellectual property developed in the course of our business. Although we generally require employees and certain other parties involved in the development of intellectual property to assign related rights to us, such assignment provisions may be challenged, interpreted narrowly, found unenforceable or otherwise insufficient. Individuals involved in developing intellectual property for us may assert adverse ownership claims, and disputes may arise if such persons use intellectual property owned by others in their work for us. We may also be subject to claims if we hire employees who are alleged to have breached confidentiality or non-compete obligations to their prior employers.

Resolving disputes over ownership, confidentiality breaches, or misappropriation of proprietary information may require costly and time-consuming litigation, and we may not prevail. Any loss of protection for our proprietary technologies, trade secrets or know-how could impair our competitive position, weaken demand for our products and solutions, and materially and adversely affect our business, financial condition and results of operations.

We may not be able to obtain, maintain or enforce adequate intellectual property protection for our technologies, and such protection may be limited in scope, invalidated or insufficient to prevent competition.

Our success depends in part on our ability to obtain, maintain and enforce intellectual property rights, including patents, trademarks, copyrights and trade secrets. The patent application process is expensive and time-consuming, and we may not be able to file or prosecute all necessary applications in a timely manner, if at all. Patent applications may not be granted, and issued patents may later be challenged, invalidated, narrowed in scope or rendered unenforceable.

Even if granted, patents may not provide meaningful protection or competitive advantage. Competitors may design around our patents or independently develop similar or superior technologies without infringing our intellectual property rights. The scope, validity, enforceability and commercial value of our intellectual property rights are uncertain and may vary across jurisdictions. Changes in intellectual property laws or their interpretation could further limit our ability to protect our technologies.

In addition, intellectual property protection is territorial, and we may not have adequate rights in jurisdictions that are or may become important to our business. Monitoring unauthorized use of our intellectual property and enforcing our rights may be difficult, time-consuming and costly. If we are unable to adequately protect or enforce our intellectual property rights, our business, financial condition and results of operations may be adversely affected.

We may be the subject of anticompetitive, harassing or other detrimental conducts by third parties that could harm our reputation and cause us to lose market share, customers and revenues.

We may be the target of anticompetitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted online by anyone, whether or not related to us. The availability of information on social media is virtually immediate, as is its impact. Social media immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Such information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, customers and revenues.

Misconduct and omissions by our employees or business partners could harm our business and reputation.

Misconduct and omissions by our employees could subject us to liability or negative publicity. There can be no assurance that our employees will not engage in misconducts or omissions that could materially and adversely affect our business, financial condition and results of operations.

Misconduct by our business partners could subject us to disruption of business, negative publicity or liability. Although we maintain strict standards in choosing our business partners, we cannot assure you our business partners will not engage in misconducts or omissions. Any misconduct by our business partners may affect our operations and reputation, which may in turn affect our business, results of operations and financial condition.

Noncompliance of third parties involved in our business could adversely affect our business.

Our business partners, including our various suppliers and customers, as well as other third parties who have entered into business relationships with our business partners, may be subject to regulatory penalties or punishments because of their regulatory compliance failures, which may, directly or indirectly, affect our business. We cannot be certain whether such third parties have infringed or will infringe any other parties' legal rights or violate any regulatory requirements. We cannot rule out the possibility of incurring liabilities or suffering losses due to any non-compliance by third parties. We cannot assure you that we will be able to identify irregularities or non-compliances in the business practices of our business partners or other third parties, or that such irregularities or noncompliance will be corrected in a prompt and proper manner. The legal liabilities and regulatory actions on our business partners or other third parties involved in our business may affect our business activities and reputation, which may in turn affect our results of operations.

We, our directors, management, employees and shareholders and their affiliates may be subject to lawsuits, contract disputes, employment-related controversies, and other legal and administrative proceedings or fines, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

We may in the future be subject to or involved in lawsuits, contract disputes, employment-related controversies, and other legal proceedings or fines relating to our business operations inside and outside China. Lawsuits that may arise during our operations can involve substantial costs, including the costs associated with investigation, litigation and possible settlement, judgment, penalty or fine. Lawsuits may be costly and time consuming and may require a commitment of management and personnel resources that will be diverted from our normal business operations. There may also be negative publicity associated with litigation that could decrease consumer acceptance of our products, regardless of whether the allegations are valid or whether we are ultimately found liable. If any of these happens, our business, financial condition, results of operations or liquidity could be materially and adversely affected. In addition, our directors, management, shareholders and employees and their affiliates may from time to time be subject to litigation, regulatory investigations and/or negative publicity or otherwise face potential liability and expense in relation to commercial, labor, employment, securities or other matters, which could adversely affect our reputation and results of operations.

We or certain of our directors or officers may be a target for lawsuits, including putative class action lawsuits brought by shareholders and lawsuits against our directors and officers as a result of their position in other public companies. We cannot assure you that we or our directors or officers will be able to prevail in their defense or reverse any unfavorable judgment on appeal, and we and our directors or officers may decide to settle lawsuits on unfavorable terms. Any adverse outcome of these cases, including any plaintiffs' appeal of the judgment in these cases, could result in payments of substantial monetary damages or fines, or changes to our business practices, and thus materially and adversely affect our business, financial condition, results of operations, cash flows and reputation. Moreover, even if we or our directors or officers eventually prevail in these matters, we could incur significant legal fees or suffer significant reputational harm.

We are subject to risks associated with, international sanctions and trade protection measures such as export controls laws and regulations, and our business, financial condition and results of operations could be adversely affected.

Our operations may be negatively affected by deterioration in the political and economic relations among countries, including the imposition of sanctions and export controls by countries with which our operations are connected, as well as increased tariffs, duties and other trade restrictions. Jurisdictions such as the United States have adopted and may further adopt restrictive measures, policies, laws, and regulations that directly or indirectly affect China-based technology companies. Further, the U.S.-China trade tensions have led to the introduction of high tariffs on a host of goods trading between the two countries, including high-technology goods, semiconductors, and electronics. We cannot predict the trajectory of the ongoing U.S.-China trade tensions and the resulting impact on our industry and the global economy.

In recent years, the United States has tightened export controls on exports and reexports to China under the Export Administration Regulations (the "**EAR**"), administered by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**"). The EAR prescribes an Entity List that identifies foreign parties subject to specified trade limitations. Absent satisfaction of applicable license requirements, the export, reexport, or in-country transfer of items subject to the EAR to a party on the Entity List is generally prohibited. BIS has also increasingly designated PRC-based entities on the Entity List. These existing and any future, similar, or more expansive restrictions imposed by the United States or other jurisdictions could impede our ability, and the ability of our suppliers and customers, to acquire certain technologies, softwares, devices, or components, and the attendant uncertainty may negatively affect our reputation and business. Moreover, if any of our customers or suppliers are added to the Entity List and thereby face restrictions on sourcing or selling technologies, software, or components to or from us, we may be unable to obtain, extend, or maintain necessary regulatory authorizations for transactions with those counterparties.

Moreover, certain foreign investment restrictions may affect our ability to attract foreign investments. For instance, on October 28, 2024, the U.S. Department of the Treasury issued a final rule to implement Presidential Executive Order 14105 issued on August 9, 2023 entitled "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern" (commonly referred to as the "**Outbound Executive Order**" and "**OIR Rule**"). The OIR Rule, which took effect on January 2, 2025, imposed certain investment prohibition and notification requirements, additional diligence responsibilities, and record-keeping requirements on U.S. persons and their controlled foreign entities involving new investments in entities associated with China (including Hong Kong and Macau) that are engaged in certain covered activities involving any of the following three sectors: (i) semiconductors and microelectronics, (ii) quantum information technologies, or (iii) artificial intelligence systems (collectively defined as "**Covered Foreign Persons**"). U.S. persons subject to the OIR Rule are prohibited from making or are required to report certain investments in Covered Foreign Persons, which are defined as "covered transactions." Covered transactions may include, among other things, acquisitions of equity interests, certain debt financing transactions, the formation of certain joint ventures, and certain investments as a limited partner in a non-U.S. person pooled investment fund. The OIR Rule is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China and may introduce new hurdles and uncertainties for cross-border collaborations, investments, and funding opportunities of China-based issuers, including us.

We believe that we are not likely to be deemed a Covered Foreign Person because we, together with our affiliates within the scope of the Outbound Investment Rule, do not engage in any "covered activity" as defined in the Outbound Investment Rule or otherwise meet the definition of covered foreign persons provided in the OIR Rule. In addition, our cognitive intelligence business is not within the definition of the notification requirements under the OIR Rule, as our products are not trained using a quantity of computing power greater than the specified threshold of computational operations nor are they designed to be used for the specified purposes (i.e. military end use or government intelligence or mass-surveillance end use), and our products are not intended to be used for (1) cybersecurity applications; (2) digital forensic tools; (3) penetration testing tools; or (4) the control of robotic systems. As we are not a Covered Foreign Person, investments in us by U.S. persons do not fall within the scope of the OIR and therefore do not trigger any notification or prohibition requirements thereunder.

The rules and regulations concerning U.S. outbound investment may be subject to further development. For example, on December 18, 2025, the U.S. Congress enacted the Comprehensive Outbound Investment National Security Act of 2025, which codifies and expands the OIR Rule and provides independent statutory authority for the program for at least seven years. Treasury was given 450 days to amend the OIR Rule to conform with the provisions set forth therein, and the existing OIR Rule remains in effect until then. As such, there are uncertainties with respect to the rules and their interpretation and enforcement. We cannot assure you that the Treasury will not take a different view or broaden the application of the OIR Rule (or that similar restrictions will not be enacted), which may reduce U.S. [**REDACTED**] interest in our equity securities and adversely affect our ability to raise capital, and could materially and adversely impact our business, financial condition and prospects.

We are subject to strict regulatory requirements in labor-related laws and regulations of the PRC.

We have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, or the Labor Contract Law, that became effective in January 2008 and was amended in December 2012 and its implementing rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. We believe our current practice complies with the Labor Contract Law and its amendments. However, the relevant governmental authorities may take a different view and impose fines on us. We also procure that subsidiaries we acquired comply with applicable labor-related laws and regulations. Failure to do so may result in fines or other penalties by government authorities.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practice could inadvertently violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

We may not have sufficient insurance coverage to cover our business risks.

We believe we maintain insurance policies in line with industry standards. We do not maintain business interruption insurance, key-man life insurance or litigation insurance. Any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations. Our current insurance coverage may not be sufficient to prevent us from any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected. If such risk materializes, we may also suffer substantial losses as we do not have insurance coverage.

Certain of our leases have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

As of the Latest Practicable Date, certain of our leased properties for our business operations in China have not been registered with the relevant PRC government authorities. As advised by our PRC Legal Advisor, failure to register such lease agreements with relevant PRC government authorities does not affect the effectiveness of the lease agreements, but the relevant PRC government authorities may order us to, within a prescribed time limit, register the lease agreements. Failure to do so may subject us to a fine ranging from RMB1,000 to RMB10,000 for each lease agreement. As of the Latest Practicable Date, we had not been ordered by any PRC government authorities to register any lease agreements. See "Business — Properties."

Failure to renew our current leases at reasonable terms or to locate desirable alternatives for our offices and facilities could materially and adversely affect our business and results of operations.

We may not be able to successfully extend or renew such leases upon the expiration of the current term on commercially reasonable terms, or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our facilities as our business continues to grow, and failure in relocating our affected operations could adversely affect our business and operations.

Our business operations are subject to seasonality.

Historically, we have received a higher volume of orders from new and existing clients in the second half of the year, especially in the fourth quarter. We believe that this results from the procurement, budgeting, and deployment cycles of many of our customers. As a result of the seasonal fluctuations in our results of operations, comparing our results of operations on a period-to-period basis may not be meaningful, and you should not rely on our past results as an indication of our future performance. Our short-term, interim and annual revenues and costs and expenses as a percentage of our revenues in a given period may be significantly different from our historical or projected rates and our results of operations in future quarters may fall below expectations.

Failure to comply with relevant regulations relating to social insurance and the housing provident fund may subject us to penalties and adversely affect our business, financial condition, results of operations and prospects.

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) and the Administrative Regulations on Housing Provident Fund (《住房公積金管理條例》), we are required to make contributions to the social insurance plans and the housing provident fund under the relevant PRC laws for our employees. According to the Interpretation II by the Supreme People's Court on Legal Issues in the Trial of Labor Dispute Cases, effective on September 1, 2025, any agreement between an employer and an employee to waive mandatory social insurance contributions shall be deemed invalid, and employees may terminate their labor contracts and claim economic compensation accordingly. See ''Regulatory Overview — Labor Protection, Social Security and Housing Provident Funds'' for details. During the Track Record Period, since some of our employees prefer their social insurance and housing provident funds to be paid at their respective residences for the convenience of utilizing such benefits locally, we engaged a third-party agent to pay social insurance and housing provident funds for them. We cannot guarantee that we will not be subject to additional contribution, late payment fee or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer if relevant authorities determine our historical use of third-party agent to pay social insurance and housing provident funds to be non-compliant as required by applicable PRC laws and regulations. This in turn may affect our financial condition and results of operations.

Any flaws or inappropriate usage of AI technologies, whether actual or perceived, whether intended or inadvertent, whether committed by us or by other third parties, could have a negative impact on our business, reputation and the general acceptance of AI services by society.

AI technologies are still at an early stage of development and are constantly evolving. Flaws or deficiencies in AI technologies could undermine the accuracy and thoroughness of the analysis and decisions made by our AI services. There can be no assurance that we will be able to detect and remedy such flaws or deficiencies in a timely manner, or at all. If the analysis and decisions that our AI services assist in producing are deficient or inaccurate, we could be subject to potential legal liability, and ethical or reputational harm. Any flaws or deficiencies in our AI technologies and solutions, whether actual or perceived, could materially and adversely affect our business, reputation, results of operations and prospects.

Similar to many disruptive innovations, AI technologies present risks and challenges that could affect user perception and public opinion. Any inappropriate, abusive or premature usage of AI technologies, whether actual or perceived, whether intended or inadvertent, and whether by us or by third parties, may dissuade prospective customers from adopting AI services, may impair the general acceptance of AI services by society, attract negative publicity and adversely impact our reputation. It may also violate applicable laws and regulations in China and other jurisdictions and subject us to legal or administrative proceedings, pressures from activists or other organizations and heightened scrutiny by regulators. Each of the foregoing events may in turn materially and adversely affect our business, financial condition and results of operations.

RISK RELATED TO OUR FINANCIAL POSITION

We are subject to credit risk related to delay in payment and defaults of customers or related parties, which would adversely affect our liquidity and financial condition.

We are exposed to credit risk related to delay in payment and defaults of our various users. As of December 31, 2023, 2024 and 2025, our trade and bills receivables amounted to RMB44.0 million, RMB55.0 million and RMB273.6 million, respectively. We may not be able to collect all such trade and bills receivables due to a variety of factors that are beyond our control, including long payment cycles of certain of our customers, adverse operating condition or financial condition of customers. If our customers delay or default in their payments to us, we may have to make impairment provisions and write-off the relevant receivables and hence our liquidity and financial condition would be adversely affected.

We may be unable to obtain any additional capital required in a timely manner or on acceptable terms, or at all. Moreover, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders' shareholdings or subject us to covenants that may restrict our operations or our ability to pay dividends.

To grow our business and remain competitive, we may require additional capital from time to time for our daily operations. Our ability to obtain additional capital is subject to a variety of uncertainties, including: (i) our market position and competitiveness in the industries in which we operate; (ii) our future profitability, overall financial condition, results of operations and cash flows; (iii) general market conditions for capital-raising activities by our competitors in China; and (iv) economic, political and other conditions in China and internationally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, our future capital or other business needs could require us to sell additional equity or debt securities, or to obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders' shareholdings. Any incurrence of indebtedness will also lead to increased debt service obligations, and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our shareholders.

Failure to fulfill our obligations in respect of contract liabilities could adversely affect our liquidity and financial condition.

During the Track Record Period, our contract liabilities represented advance payments made by customers for provision of services. As of December 31, 2023, 2024 and 2025, we had contract liabilities of approximately RMB55.6 million, RMB65.7 million and RMB21.9 million. For further details, see "Financial Information — Liabilities — Contract Liabilities." There is no assurance that we will be able to fulfil our obligations in respect of contract liabilities. If we have any difficulties or fail to perform our obligations under our contracts, our relationships with our users will be adversely affected and we will be unable to recognize such contract liabilities as revenue, exposing us to the risk of shortfalls in liquidity, which may have a material adverse effect on our operational performance and prospects.

Fluctuations in changes in fair value of our financial assets at fair value through profit or loss would affect our financial results.

We have invested in, and intend to continue to selectively invest in, businesses, assets and technologies that complement our existing business and may make other financial investments. We recorded financial assets at fair value through profit or loss of RMB121.8 million, RMB125.8 million and RMB143.0 million as of December 31, 2023, 2024 and 2025, respectively. These financial assets at fair value through profit or loss included our investments in unlisted equity investments and wealth management products. The fair value changes in our financial assets measured at fair value through profit or loss may negatively affect our financial performance. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. Any change in the estimates and assumptions may lead to a change in the fair value of the financial assets, which in turn could negatively affect our financial conditions and results.

Share-based payments may have a material and adverse effect on our financial performance and cause shareholding dilution to our Shareholders.

The share incentive plan was established for the benefit of our directors, senior management and core employees as remuneration for their services provided to us and to incentivize and reward the eligible persons who have contributed to the success of our Company. See "History, Development and Corporate Structure — Employee Incentive Platform." In 2023, 2024 and 2025, we recorded RMB31.3 million, RMB34.9 million and RMB37.5 million, respectively, in share-based payments.

To further incentivize our employees, we may incur additional share-based payments expenses in the future. We believe such share-based awards are important to our ability to attract, retain and motivate our key personnel, and we may continue to grant share-based awards in the future. Expenses incurred with respect to such share-based payments may also increase our operating expenses and therefore have a negative effect on our financial performance. Issuance of additional Shares with respect to such share-based payments may dilute the shareholding of our Shareholders and could result in a decline in the value of our H Shares.

The unavailability of any preferential tax treatment and government subsidies, as well as unfavorable changes in the application of tax policy, could adversely affect our business, financial condition, and results of operations.

We received government grants of RMB6.6 million, RMB3.6 million and RMB5.3 million in 2023, 2024 and 2025, respectively. We also benefited from preferential tax treatments from the PRC government during the Track Record Period. For example, we and certain of our subsidiaries qualified as a high-tech enterprise and accordingly was entitled to a preferential income tax rate of 15%. Furthermore, our Company and certain of our subsidiaries operating in the PRC were eligible for certain tax credits on their research and development expenses during the Track Record Period. See Note 10 to the Accountant's Report included in Appendix I to this Document for more details. We cannot assure you that we will continue to receive government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatments, in which case our business, financial condition and results of operations may be materially and adversely affected.

RISKS RELATED TO DOING BUSINESS IN THE GEOGRAPHIC MARKETS IN WHICH WE OPERATE

Changes in the political, economic and social conditions of the geographic markets in which we operate may materially and adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in the geographic markets in which we operate, particularly those with emerging or evolving regulatory frameworks for AI and foundation model technologies.

In certain markets, local governments continue to play an active role in shaping the technology sector, including through licensing regimes, export controls, foreign ownership restrictions, or preferential treatment for domestic players. In some cases, governments may impose restrictions on access to computing infrastructure, or introduce national security reviews of AI and foundation model technologies, which could adversely affect our commercialization pace, product deployment or international expansion. Actions taken by governments to manage inflation, devalue currencies, impose capital controls, or regulate technology exports or imports may also materially impact our operations.

Additionally, political or social instability — including policy unpredictability, trade tensions, protests, or deteriorating diplomatic relations — could increase compliance costs, limit access to key resources or partnerships, or disrupt our operations and strategic planning. These risks are heightened in jurisdictions where the regulatory environment is rapidly changing or where geopolitical tensions may affect access to talent, infrastructure, or markets for AI and foundation model technologies.

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

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 24, 2023, the CSRC and other relevant government authorities published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Archives Rules**"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

Furthermore, we cannot assure you that new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us, our shareholders or our financing activities. We or our shareholders may not be able to comply with such additional requirements in a timely manner. In addition, we or our shareholders may be subject to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC filing or other government authorization or approval for this [**REDACTED**] or any subsequent change in shareholding structure, it is uncertain whether we can or how long it will take us or our shareholders to obtain such approval or complete such administrative procedures and these regulatory authorities may impose fines and penalties on us or our shareholders, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the [**REDACTED**] from the [**REDACTED**] into the PRC or take other actions to restrict our financing activities, which could have a material adverse effect on our business.

The service of process upon us or our Directors who reside in China, or foreign court judgments enforcement against us or them would be subject to the legal procedures and requirements of China.

Substantially all of our operations are located in the PRC. In addition, almost all of our Directors, supervisors and officers reside in China and substantially all of their assets are located in China. As a result, it may not be possible for you to directly effect service of process upon us or such Directors, supervisors and officers who reside in China. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of many other jurisdictions. In accordance with the Civil Procedure Law of the PRC and other applicable laws, regulations, and interpretations, a court judgment obtained in the other jurisdictions mentioned above may be recognized and enforced in China in consideration of the treaties providing for the reciprocal enforcement of judgments of courts between China and the country where the judgment was made.

On July 14, 2006, the Supreme People's Court of the PRC and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters Pursuant to Choice of Court Agreements between Parties Concerned (《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當事人協議管轄的民商事案件判決的安排》) (the "Arrangement"). Under the Arrangement, a party with an enforceable final court judgment rendered by any designated people's court of China or any designated Hong Kong 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 China or Hong Kong court. A written choice of court agreement is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People's Court of the PRC and Hong Kong entered into an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "New Arrangement"). The New Arrangement will broaden the scope of judgments that may be enforced between China and Hong Kong under the Arrangement. Whereas a choice of jurisdiction needs to be agreed in writing in the form of an agreement between the parties for the selected jurisdiction to have exclusive jurisdiction over a matter under the Arrangement, the New Arrangement provides that the court where the judgment was sought could apply jurisdiction in accordance with the certain rules without the parties' agreement. The New Arrangement will replace the Arrangement when the former becomes effective. The New Arrangement became effective on January 29, 2024 both in China and in Hong Kong. Under the New Arrangement, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the effective judgments in civil and commercial cases subject to the conditions set forth in the New Arrangement. Moreover, under the Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》), if a court of China rules that a foreign judgment violates the basic principles of PRC laws or national sovereignty, security, or public interest, the PRC court may not enforce the foreign judgment against our assets or managements in China.

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

The PRC government imposes laws and regulations on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of Renminbi into and out of China. Under the existing PRC foreign exchange regulations, foreign exchange transactions under the current account conducted by us, including the payment of dividends, can be made in foreign currencies without prior approval of SAFE by complying with certain procedural requirements and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we do not meet the procedural approvals in respect of the foreign exchange administration, our potential offshore capital expenditure plans and even our business may be materially and adversely affected.

Fluctuations in exchange rates of Renminbi against Hong Kong dollar, U.S. dollar or other foreign currencies could affect our business, results of operations, financial condition, and the value of your [REDACTED].

Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, U.S. dollar and other foreign currencies are affected by, among other things, the changes in China's and international political and economic conditions. The [**REDACTED**] from the [**REDACTED**] will be denominated in Hong Kong dollars. As a result, any appreciation of Renminbi against U.S. dollar, Hong Kong dollar or any other foreign currencies may result in a decrease in the value of our foreign currency-denominated assets and our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of Renminbi may adversely affect the value of, and any dividends payable on our H Shares in foreign currencies. We have not utilized, and may not in the future utilize, any instrument to reduce our foreign currency risk exposure. All of these factors could affect our business, results of operations, financial condition and prospects, and could affect the value of, and dividends payable on, our H Shares in foreign currency terms.

We are a Chinese Mainland enterprise and we are subject to Chinese Mainland tax on our global income and any gains on the sales of H Shares and dividends on the H Shares may be subject to Chinese Mainland income taxes.

Under the PRC EIT Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the Chinese Mainland and a non-Chinese Mainland investor's jurisdiction of residence that provides for a different income tax arrangement, Chinese Mainland withholding tax at the rate of 10% is normally applicable to dividends from Chinese Mainland sources payable to investors that are non-Chinese Mainland resident enterprises, which do not have an establishment or place of business in Chinese Mainland, or which have an establishment or place of business in Chinese Mainland if the relevant income is not effectively connected with such establishment or place of business. Any gains realized on the transfer of shares by such investors are subject to a 10% Chinese Mainland income tax rate if such gains are regarded as income from sources within Chinese Mainland unless a treaty or similar arrangement provides otherwise.

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

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

Payment of dividends is subject to requirements under PRC law.

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

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

Any failure to comply with relevant regulations regarding the registration requirements for employee share incentive plans may subject our share incentive plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (Hui Fa [2012] No. 7), replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in China for a continuous period of not less than one year and who have been granted options will be subject to these regulations when our company becomes an overseas-[**REDACTED**] company upon the completion of the [**REDACTED**]. Failure to complete SAFE registrations may subject them to fines, and legal sanctions. In light of the above, we cannot assure you that we will continuously adopt additional incentive plans for our directors, executive officers and employees under PRC law.

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

RISKS RELATED TO THE [REDACTED] AND OUR SHARES

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

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

The [REDACTED] and [REDACTED] of our H Shares may be volatile, which could result in substantial losses for [REDACTED] purchasing our H Shares in the [REDACTED].

Factors such as fluctuations in our revenue, earnings, cash flows, new investments, regulatory development, additions or departures of key personnel, or actions taken by competitors could cause the [**REDACTED**] of our H Shares or [**REDACTED**] of our H Shares to change substantially and unexpectedly. In addition, stock prices have been subject to significant volatility in recent years. Such volatility has not always been directly related to the performance of the specific companies whose shares are traded. Such volatility, as well as general economic conditions, may materially and adversely affect the prices of shares, and as a result [**REDACTED**] in our H Shares may incur substantial losses.

Subscribers and purchasers of our H Shares under the [REDACTED] will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of our H Shares is higher than our net tangible assets value per Share immediately prior to the [**REDACTED**]. Therefore, subscribers and purchasers of our H Shares under the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] net tangible assets value per Share. In order to expand our business, we may consider offering and issuing additional Shares in the future or to raise additional funds in the future to finance our business expansion, for existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of the existing Shareholders may be reduced, and they may experience subsequent dilution and reduction in their earnings per share, (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders and/or (iii) subscribers and purchasers of our H Shares may experience dilution in the net tangible assets value per Share if we issue additional Shares in the future at a price which is lower than our net tangible assets value per Share.

Future sale or major divestment of Shares by any of our substantial Shareholders could adversely affect the prevailing [REDACTED] of our H Shares.

The Shares held by certain Shareholders are subject to certain lock-up periods, the details of which are set out in the section headed "[**REDACTED**]" of this Document. However, we cannot give any assurance that after the restrictions of the lock-up periods expire, these Shareholders will not dispose of any Shares. Sale of substantial amounts of our H Shares in the [**REDACTED**], or the perception that these sales may occur, may materially and adversely affect the prevailing [**REDACTED**] of our H Shares.

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

Facts, forecasts, estimates and other statistics in this Document relating to the economy and the industry in which we operate our business on have been collected from materials from official government sources. The information from official government sources has not been independently verified by us, the Joint Sponsors, [**REDACTED**], any of their respective directors, supervisors, and advisors, or any other parties involved in the [**REDACTED**], and no representation is given as to its accuracy. In particular, due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, such information and statistics may be inaccurate or may not be comparable to other information and statistics produced. Statistics, industry data and other information relating to the economy and the industry derived from the official government sources used in this Document may not be consistent with other information available from other sources and therefore, [**REDACTED**] should not unduly rely upon such facts, forecasts, estimates and statistics while making [**REDACTED**] decisions.

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

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

We may not be able to pay any dividends to our Shareholders.

We cannot guarantee when and in what form dividends will be paid on our H Shares following the [**REDACTED**]. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, such as our business and financial performance, capital and regulatory requirements and general business and operation conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

You should read the entire Document carefully and should not place any reliance on any information contained in press articles or other media regarding the [REDACTED].

There may have been, prior to the publication of this Document, and there may be, subsequent to the date of this Document but prior to the completion of the [**REDACTED**], press and media coverage regarding us and the [**REDACTED**]. You should rely solely upon the information contained in this Document and any formal announcements made by us in Hong Kong in making your [**REDACTED**] decision regarding the [**REDACTED**]. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any estimates, views or opinions expressed by the press or other media regarding the [**REDACTED**] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

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

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

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