An investment in our 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 section headed "Financial Information" of this document, before deciding to invest in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial conditions, results of operations and prospects. In any such an event, the market price of our Shares could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

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" of this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRIES

Our business is highly sensitive to public tastes and is dependent on our ability to develop and secure popular music content, and we may not be able to anticipate or respond effectively to changes in audience preferences and market trends, which could materially and adversely affect our business, financial condition and results of operations.

Our business is highly sensitive to rapidly changing public tastes, which may vary among people of different generations and backgrounds, and the continued success of our business depends on our ability to develop and license popular music content. In particular, our music catalogue operation business depends in part on our ability to anticipate the tastes of audiences, and to develop and license music content appealing to audiences. Our music content may not be able to gain popularity and audience attention as anticipated due to changing tastes, market trends, general economic conditions or otherwise, which could adversely affect our business. Although we are now maintaining an extensive reserve of popular music content in the market, we cannot assure you that such success will continue. If we fail to effectively satisfy the evolving needs and preferences of the public, we may fail to recoup our significant investment in music development or licensing, and we may be required to incur additional costs to develop or license additional music content tailored to the changing public tastes, which would have a material adverse effect on our business and results of operations.

We generate a significant portion of our revenue from our artist management and live entertainment business. If we fail to maintain our relationship with artists, enlarge our artist pool or enhance our artists' market influence and monetization, our business, financial condition and results of operations could be materially and adversely affected.

We operate an integrated artist management and live entertainment business, leveraging a diversified artist roster together with extensive experience and execution capabilities in large-scale live performances. In 2023, 2024 and 2025, revenue generated from our artist management and live entertainment business was RMB360.9 million, RMB918.9 million and RMB707.4 million, respectively, which accounted for 41.9%, 64.8% and 54.4% of our total revenue for the same periods, respectively. This business is dependent on our continuous relationships with our managed artists and collaborating artists. Our relationships with our managed artists or collaborating artists can be affected by a number of factors, such as our artist operation capability, the terms and conditions we offer in the artist management or cooperation contracts and our brand recognition in the market. In addition, when a managed artist renews his or her contract with us, we may agree to give the artist a right to terminate the contract with us after a specific number of years. For more details about our relationships with our managed artists, see "Business – Our Business – Artist Management and Live Entertainment Business – Artist Management." Although our relationships with our managed artists remain stable, we cannot assure you that we will be able to maintain such relationships with all or any of these artists, nor can we assure you that the key terms and conditions in the artist management contracts will remain the same when artists renew their respective artist management contracts with us.

Another important factor for our success in artist management and live entertainment business is our ability to increase the number and quality of our managed artists and collaborating artists. If we are unable to attract new managed artists and collaborating artists of high quality and commercial potential, the size of our artist pool may limit our ability to meet diverse customer demand, organize a sufficient number of live entertainment events and generate sustainable revenue growth, and may adversely affect our bargaining power with event organizers and reducing the scale of our live entertainment offerings.

We need to invest significant amount of time, labor and funds in the process of attracting and training new artists, and it may take a long time before we can procure commercial opportunities for them. The new artists may not be able to achieve success as we expect. If we fail to provide desirable opportunities for our artists to participate in commercial activities, we may not be able to attract or maintain relationships with new artists. Under such circumstances, our business, financial condition and results of operations could be adversely affected.

Further, the market influence and monetization of our managed and collaborating artists are pivotal to our operating results. Although we have been endeavoring to build and enhance market influence of our artists, and to identify numerous business opportunities for artist monetization, we cannot assure you that such efforts could be effective as planned.

Our business depends on our managed artists and collaborating artists' reputation and the public's perception of our brand. Any negative publicity or serious misconduct involving our artists may harm our brand image, result in regulatory restrictions on the distribution of associated music content, and materially and adversely affect our business, financial condition or results of operations.

Maintaining and enhancing our brand is critical to the success of our business, which depends partly on the reputation of our managed artists and collaborating artists, particularly key artists who are highly influential and make substantial contributions to our business. Any lawsuits, non-compliance with laws or regulations, personal misbehavior, rumors or negative publicity involving our managed artists or collaborating artists, even if inaccurate or without merit, may significantly harm their reputation and that of our Group, which could materially and adversely affect our business, financial condition and results of operations. We have carried out background search on the artists before entering into artist management or cooperation contracts with them and maintain strict management of the daily behavior of our managed artists. However, we cannot assure you that our managed artists and collaborating artists (including their related entities) will not be involved in any unforeseeable incidents beyond our control, such as immoral behavior or non-compliance with the laws and regulations, including individual income tax laws and regulations. Such incidents may result in negative publicity and reputational damage to our Group. Moreover, we cannot assure you that we will be able to timely detect or effectively respond to future negative publicity involving our managed artists and collaborating artists.

Furthermore, negative publicity involving us, our management, our business partners or our industry, whether justified or not, may harm our brand. Given the nature of the entertainment industry, we are more exposed and susceptible to negative publicity. Damage to our reputation may reduce demand for the services from our artists and have a material and adverse effect on our business, results of operations and financial condition. Any attempt to rebuild our reputation may be costly, time-consuming, and may not ultimately be successful.

In addition, we hold ownership of a substantial number of music recording copyrights produced for or in association with our managed artists. If a managed artist or collaborating artist becomes involved in serious criminal conduct, moral turpitude, violations of PRC laws or regulations, or other scandals that attract widespread public condemnation, the relevant regulatory authorities or downstream platforms may restrict or prohibit the distribution, streaming, broadcasting or commercial exploitation of music content associated with such artist. In the PRC, regulatory authorities have in certain instances required the removal of all content associated with artists involved in serious misconduct from online platforms and media channels. Any such prohibition or restriction could result in the sudden loss of licensing revenue from affected music recordings, termination or renegotiation of existing licensing arrangements with downstream platforms, and a material write-down of the carrying value of the associated music copyrights and related intangible assets. Given the concentration of certain high-value music recordings around a limited number of prominent artists, the impact of a single artist incident could be disproportionately significant to our overall music catalogue value and revenue. We cannot fully mitigate this risk through diversification alone, and any such event could have a material adverse effect on our business, financial condition and results of operations.

The production and operation of live entertainment events are subject to uncertainties, including safety, regulatory and operational risks. There is no guarantee that our live entertainment events can generate profit.

We produce, present, host and operate a variety of live entertainment events, such as concerts, livehouse performances, music festivals and performing arts events. Unforeseen circumstances during production and operation of our live entertainment events, such as public security accidents and the resulting injuries and deaths, equipment damage or malfunction, unavailability of suitable locations, delay or failure in obtaining the requisite approvals, permits or licenses, natural disasters, the outbreak of epidemics, the unavailability of artists or other key personnel due to injuries or health issues, other engagement or a negative publicity as a result of their personal behavior, and regulatory prohibitions and restrictions on the whole entertainment industry, may disrupt, delay or even lead to cancellation of such events. In particular, our large-scale live entertainment events involve the gathering of large numbers of audiences at venues such as stadiums, arenas and outdoor sites, which inherently exposes us to significant safety risks. During the Track Record Period, we hosted 93 large-scale live performances with aggregate box office sales of approximately RMB1.5 billion. These events involve the use of stage equipment, pyrotechnics, lighting systems, electrical installations and temporary structures that may pose fire hazards, and the congregation of large numbers of audience members creates risks of crowd stampedes, crushing incidents and other mass safety events. Any such incident could result in casualties, property damage, regulatory investigation, significant legal liability and reputational harm.

Moreover, even if our live entertainment events can be produced and operated on schedule, such events may not generate profits for us. The budgets, ticket pricing and revenue forecasts for our live entertainment events are based on our estimates of various costs and market demand, which are subject to uncertainties. In circumstances where the production and operation costs of a live entertainment event significantly exceed its budget or we fail to achieve sales and revenue as expected, the event's profitability will be impaired. The success of our events is highly dependent on audience experience and perception, which is subject to numerous factors including market aesthetic trends, ticket pricing, live audio and visual effects and artists' performance skills. If audiences are dissatisfied with the quality of a performance or the overall event experience, we may face widespread negative reviews, social media backlash and mass demands for ticket refunds. Any negative customer feedback or even complaints, or operational failures could lead to diminished brand reputation, public perception and market demand regarding our events, which may negatively affect our events' sales and profitability as well as the number of our events.

The production and operation of our live entertainment events also require various governmental approvals, permits and licenses, which may be withdrawn, revoked or refused at any time due to changes in government policies, safety concerns or other reasons, potentially forcing us to cancel events at short notice and resulting in significant financial losses from sunk production costs, contractual liabilities and ticket refund obligations. Furthermore, our events, particularly outdoor music festivals, may generate substantial noise pollution, waste and carbon emissions, and failure to comply with applicable environmental regulations could result in fines, event suspension or prohibition from using certain venues, which could have an adverse effect on our reputation, business operations, financial condition and results of operations.

Our business depends, in significant part, on the general prosperity and development of the global Chinese-language music content and services market, discretionary consumer spending, and corporate spending.

Our business is affected by a number of factors such as (i) macroeconomic conditions and geopolitical factors, (ii) consumers' willingness to pay for music content and services, (iii) the multi-scenario and diversified demand for music content and musicians, (iv) the global influence and popularity of Chinese language music, (v) the music copyright protection system in China and worldwide, and (vi) other applicable laws and regulations as well as government policies and initiatives. Changes in any of these industry conditions and our ability to adapt to such changes could affect our business operation and financial performance.

In addition, our business depends on discretionary consumer spending and corporate spending, which are subject to many factors including economic conditions affecting disposable consumer income such as inflation, unemployment levels, interest rates and changes in tax laws that impact companies or individuals. During historical periods of economic slowdown and recession, many consumers and enterprises reduced expenditures, including those related to music content and services. The impact of economic slowdowns on our business is difficult to predict. Although we have made efforts to minimize such impact through continuous business operations and customer base expansion, challenging economic conditions may still result in reductions in the demand for our music content and services, which could materially and adversely affect our ability to generate revenue. We give no assurance that consumer and corporate spending will not be adversely impacted by current economic conditions, or by any future deterioration in economic conditions, which could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to renew our music content licensing arrangements with third-party rights holders on acceptable terms, which could reduce the scale and competitiveness of our music catalogue.

A portion of the music content in our catalogue is sourced through licensing arrangements with third-party rights holders, including major international record labels and large music catalogues. These licensing arrangements are generally entered into for a fixed term commonly ranging from three to several years, and upon expiration, continued cooperation is subject to further agreement between the parties. We cannot assure you that we will be able to renew these licensing arrangements on acceptable terms, or at all. If key licensors choose not to renew their licensing arrangements with us, substantially increase the licensing fees, or reduce the scope of the licensed rights, the scale and diversity of our music catalogue may be materially reduced. In addition, we face competition from other music content and service providers for the licensing of high-quality music content, and our competitors may offer more favorable terms to secure or retain access to such content. Any significant reduction in the breadth or quality of our licensed music catalogue could diminish the attractiveness of our content offering to downstream customers, reduce our revenue from music catalogue operations, and have a material adverse effect on our business, financial condition and results of operations.

We may fail to adequately protect our intellectual property rights, which could have a negative impact on our business, competitive position and prospects.

We operate in an industry that places a premium on creative abilities and artistic talent. The success of our business depends substantially upon our continued ability to use our copyrights, trade names and trademarks to increase brand awareness and to further develop our brand and reputation. The unauthorized reproduction of our trade names or trademarks and the unauthorized release or broadcasting of our copyrighted musical works could diminish the value of our brand and the relevant work products, competitive advantages or goodwill. Misappropriation or misuse of our intellectual properties by third parties or unlicensed use of the names or images of our managed artists or collaborating artists may also harm our reputation.

We rely on a combination of copyrights, trademarks, domain names, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property rights. Nevertheless, these afford only limited protection, and policing unauthorized use of proprietary information can be difficult and expensive. In addition, the application of laws governing intellectual property rights in the jurisdictions where we operate is uncertain and evolving and could expose us to substantial risks. For example, there may be challenges with respect to enforcing intellectual property legal protection in the cases of reproduction, cover production and adaptation in the jurisdictions where we operate. Proceedings to enforce our intellectual property rights could result in substantial costs and divert our efforts and attention from other aspects of our business. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce or protect our intellectual property rights may be ineffective, the failure of which could have a material adverse effect on our business, results of operations, reputation and prospects.

We may not be able to compete effectively against our competitors in the entertainment industry.

The entertainment industry is highly competitive and fragmented, and we may not be able to maintain or increase our current market share. In China, we primarily compete with other music content and services companies. Our competitors may make more attractive offers to secure existing popular music content in the market, or deliver services of equal or superior quality to our target customers, and achieve greater market acceptance and brand recognition than us. Moreover, some platform-based artist management companies, such as leading media platforms in China with artist management business, and some content-based artist management companies, such as large entertainment content production companies with artist management business, may engage their own managed artists instead of our managed artists or collaborating artists in content production activities. They can leverage their market influence to arrange commercial activities for their managed artists. As a result, we may face competition arising from the vertical integration of such media platforms and entertainment content production companies. We cannot assure you that we will be able to retain our existing customers or to attract new ones, which could materially and adversely affect our business and financial condition. Further, players in sectors other than the music content and services sector within the entertainment industry may compete with us in terms of consumer spending. If consumers tend to spend more on other entertainment services such as online games and sports, their budget on music content and services may be reduced accordingly, which may negatively affect our sales and revenue.

Further, our competitors may reduce fees, increase production capabilities or develop new concepts to obtain market share. Some of our competitors may have greater and broader operational experience and longer relationships with customers than we do. We cannot assure you that we will be able to successfully compete against new or existing competitors and failure to do so may cause our market share to decline, and adversely affect our business, results of operations, financial condition and prospects.

Furthermore, our ShowStart ticketing platform operates in a competitive market and faces operational risks, including cybersecurity threats, scalping activities, system overloads during peak ticket-purchasing periods and potential regulatory changes relating to online ticketing services. In 2025, the ShowStart platform generated aggregate GMV of approximately RMB3.7 billion and represented approximately 75% market share by box office sales for livehouse events in China. However, we face competition from other online ticketing platforms, and certain event organizers, venues or promoters may choose to distribute tickets through competing platforms or their own channels. If we are unable to maintain our market position or continue to attract event organizers and users to our platform, the GMV and revenue generated by ShowStart may decline.

We recorded net liabilities and net current liabilities as of December 31, 2023, 2024 and 2025, and may record such positions in the future.

We recorded net liabilities of RMB396.0 million, RMB355.7 million and RMB209.4 million as of December 31, 2023, 2024 and 2025, respectively, and net current liabilities of RMB908.5 million, RMB813.0 million and RMB619.6 million as of December 31, 2023, 2024 and 2025, respectively, primarily due to our convertible redeemable preferred shares liabilities representing the redemption liabilities for shareholders' preferential rights. All of our convertible preferred shares will be reclassified from liabilities to equity as a result of automatic conversion into our Ordinary Shares upon the **[REDACTED]**. Therefore, we do not expect to recognize any further convertible redeemable preferred shares liabilities or loss or gain on fair value changes of convertible redeemable preferred shares after the **[REDACTED]**. We, however, cannot assure you that we will not record net liabilities or net current liabilities in the future. Net liabilities or net current liabilities position can expose us to the risk of shortfalls in liquidity. This in turn would require us to undertake additional equity financing, which could result in dilution of your equity interests. Any difficulty or failure to meet our liquidity needs as and when needed can have a material adverse effect on our prospects.

The exclusivity provisions in our artist management contracts may be difficult to enforce, and artists may engage with competitors upon contract expiration, which could result in the loss of key revenue-generating talent.

Our artist management contracts are generally entered into on an exclusive basis within the agreed scope for a fixed term ranging from three to five years. During the contract term, artists are generally restricted from engaging third parties to carry out competing management activities or from entering into overlapping arrangements without our prior consent. However, we cannot guarantee the effective enforcement of such exclusivity provisions in all circumstances. Artists may breach their contractual exclusivity obligations by engaging with competing management companies, participating in unauthorized commercial activities, or otherwise circumventing contractual restrictions. Enforcement of exclusivity provisions through legal proceedings may be time-consuming, costly and uncertain in outcome, and any interim period of non-compliance could result in commercial losses and reputational damage. Moreover, upon expiration of the contract term, artists are free to engage with competitors, and any goodwill, audience base or commercial relationships developed during the contract period may benefit the artist and their new management company rather than us. If we are unable to effectively enforce exclusivity provisions or retain artists upon contract expiration, we may lose key revenue-generating talent and the associated commercial opportunities, which could materially and adversely affect our business and results of operations.

We may not be able to recover upfront payments and advances made to our managed artists in the event of early contract termination, and the sudden departure of key artists could trigger cascading financial liabilities.

Certain of our artist management contracts provide for upfront payments or advances to managed artists, which are generally recoupable from the artist's future revenue share in accordance with agreed offset mechanisms. Early termination by the artist may trigger contractual liabilities, including repayment of unrecouped advances and compensation for losses. However, we cannot assure you that we will be able to recover such unrecouped advances in full or at all in the event of early termination, particularly where the artist lacks sufficient financial resources or where enforcement through legal proceedings is impractical or commercially disproportionate. In addition, the early departure of a key managed artist could result in the sudden cancellation or postponement of planned concert tours, commercial endorsement arrangements and other monetization activities, potentially triggering contractual liabilities to third-party event organizers, venues and brand partners, and resulting in sunk production costs and forfeited revenue. Any material unrecovered advance or cascading financial impact arising from the early termination of an artist management contract could have a material adverse effect on our financial condition and results of operations.

We depend on a network of key lyricists and music composers for the supply of high-quality original musical works, and the loss of or reduced cooperation by such creators could impair our content supply capabilities.

We depend on a network of lyricists, music composers and other creators for the creation and supply of high-quality musical works that underpin our music catalogue. Our musical works are sourced primarily through Touch Music Publishing, our established music publishing brand, which aggregates leading Chinese-language lyricists and music composers. We obtain musical works through commissioned creation arrangements, copyright assignment and exclusive licensing agreements with individual creators. If key creators within our network cease to cooperate with us, reduce their creative output, or are attracted by competitors offering more favorable terms, we may face a material reduction in the supply of high-quality original musical works. The music industry is characterized by intense competition for top songwriting and composing talent, and our competitors may offer higher compensation, more favorable revenue-sharing arrangements or greater creative autonomy to attract creators currently within our network. Any significant disruption to our relationships with key creators could impair our ability to produce new hit content, reduce the attractiveness of our music catalogue to downstream customers, and have a material adverse effect on our business, competitive position and results of operations.

Our collaborating artists are not subject to exclusivity obligations and may reduce or terminate their cooperation with us at any time, which creates revenue instability and limits our ability to plan our live entertainment business.

In addition to our managed artists, we work with collaborating artists, groups or bands under targeted cooperation arrangements for designated activities such as live performances, concert tours, recordings or other entertainment-related projects. Unlike our managed artists, collaborating artists are not subject to artist management agreements with us and are not bound by exclusivity obligations. As a result, collaborating artists may simultaneously work with our competitors, prioritize engagements with other management companies, or decline future collaboration with us without contractual consequence. Certain of our collaborating artists, including those whose careers we helped develop under our music labels, are among the most commercially influential artists in the Chinese-language music market and make significant contributions to our live entertainment revenue. If key collaborating artists reduce or terminate their cooperation with us, or if competitors successfully attract such artists to exclusive arrangements, our ability to organize commercially successful live entertainment events and generate artist management revenue could be materially impaired. The non-exclusive and project-based nature of collaborating artist arrangements also creates revenue volatility and limits our ability to plan and forecast live entertainment business performance with certainty.

The success of our live entertainment events partially depends on the cooperation with third parties, which is subject to uncertainties.

The operational and financial success of our live entertainment events partially depends on our cooperation with third parties such as event sponsors, third-party ticketing platforms and other suppliers. A portion of our revenue from live entertainment events comes from commercial sponsorship. In the case of default related to such sponsorship, we may lose part or all of such revenue. Moreover, we may engage third-party ticketing platforms for ticketing services for our live entertainment events. If such platforms encounter system disruption, failure or other operational issues, their service stability and quality may deteriorate, which may in turn negatively affect the operation of our live entertainment events. Any disputes related to our cooperation with these platforms may also have a negative impact on our stable access to their ticketing services. In addition, our live entertainment events require other various services including stage equipment supplies, stage lighting and sound, stage design, logistics and technical support. The failure of such suppliers to provide stable and high-quality services may result in a decline in performance quality and effect, increased costs, and even trigger safety incidents, thereby adversely affecting our operations and reputation.

If we fail to maintain our business relationship with our major customers or expand our customer base, our business, financial condition and results of operations could be materially and adversely affected.

The success of our business depends on our ability to maintain our business relationship with our major customers. During the Track Record Period, our customers primarily included (i) online music platforms and other music service providers, (ii) online video, long-form audio and media platforms, (iii) event organizers, promoters and venues, and (iv) brand customers and other commercial counterparties. In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB377.3 million, RMB357.6 million and RMB446.1 million, respectively, representing 43.8%, 25.2% and 34.3% of our total revenue for the corresponding periods. For more details, see "Business – Our Customers." Our relationships with our existing major customers depend on a number of factors, such as the quality, popularity and reputation of our music content. Although the relationships with our existing major customers remain stable, we cannot assure you that we will be able to maintain such relationships with all or any of these customers, nor can we assure that the key terms and conditions in the agreements we entered into with our customers will remain the same when they renew the agreements with us. We are also dedicated to expanding our customer base to bring more business opportunities and generate more revenue. However, we cannot assure you that we will be able to secure new customers of similar scale or on comparable contract terms. We may need to incur substantial costs and expenses in marketing and promotion, and it may take a long time before we start to generate revenue from new customers, which could materially and adversely affect our business, financial condition and results of operations.

We license our music content to music streaming platforms and other customers, which is subject to their policies and our contractual terms with them, as well as end consumers' demand for their services and products and regulatory risks involving them.

We commercialize our music content primarily through licensing and sublicensing arrangements with a diversified base of customers, including domestic and overseas online music platforms, online video and long-form audio platforms, synchronization single-use licensing customers, and other offline licensing customers. In particular, we license and sublicense our music content to leading digital music and content platforms such as Tencent Music, NetEase Cloud Music, ByteDance, Apple Music, Spotify and YouTube for online distribution and consumption, and to producers and broadcasters of films, television dramas, variety shows and web series, including iQIYI, Tencent Video, Bilibili and television broadcasters, for use in audio-visual productions. If our music streaming platforms and other customers adopt restrictive policies on the music licensing, or if there are any structural changes to the material terms of our contracts with them due to any significant changes in regulatory requirements and policies which adversely and materially affect our cooperation, there may be a significant reduction in our revenue generated from our music catalogue operation business.

Moreover, our music streaming platforms and other customers' commercial success depends on end consumers' demand for their services and products, as well as acceptance levels of these platforms and their distribution channels, which may in turn affect these customers' demand for our music content. If our customers' services and products involving our music content fail to win recognition by end consumers and achieve market success, our sales to such customers will be negatively affected. In particular, the music market features fast iteration and ever-changing audience preference, which may even render blockbuster products obsolete within a short time. If we are unable to continuously deliver popular music products to keep abreast of the latest market trends, our customers may scale down cooperation with us and our revenue from them may decline accordingly.

Further, some customers, including leading music streaming platforms, may face regulatory uncertainties, including antitrust risks. Should such regulatory risks materialize, their business expansion and market position may be impaired, which may in turn reduce their demand for our music content and services.

The entertainment industry is extensively regulated in the jurisdictions where we operate. Our failure to comply with evolving laws, rules, regulations, policies and other legal uncertainties could materially and adversely affect our business, financial condition and results of operations.

With the continuous development and growth in the entertainment industry in the jurisdictions where we operate, the government may issue and promulgate new laws and regulations from time to time to encourage a healthy and orderly development of the entertainment market. A series of regulations and policies were issued during the Track Record Period and up to the Latest Practicable Date, including: (i) regulations relating to management of activities of artists and artist management companies; (ii) notices in relation to the taxation of culture and entertainment industry; and (iii) regulations in relation to anti-trust control. See "Regulatory Overview" in this document for further details.

Our businesses are directly or indirectly subject to these regulations and policies to varying degrees. For example, we may not be able to completely monitor and control the behavior or speech of our managed artists and collaborating artists, and the artists' followers. If they fail to comply with the relevant laws, regulations, rules and policies promulgated from time to time, we may face penalties by relevant authorities, and any legal or regulatory restrictions or prohibitions on the artists' performance or product distribution may impair our ability to capitalize on their talent, both of which could adversely affect our reputation and business operations.

Moreover, there is no assurance that the jurisdictions where we operate will not change the existing laws, regulations or policies, or adopt additional or more stringent laws, regulations or policies applicable to us and our business operations. Any changes to such laws, regulations and policies, or their interpretation or enforcement, may expose us to the risk of non-compliance and may require us to conform our activities and operations to comply with such laws, regulations and policies. We cannot predict future laws, regulations, policies, interpretations or applications, nor can we predict their impact on our business, financial condition and results of operations. If we fail to timely adapt our risk management and internal control policies and procedures to the changing regulatory environment, our business, results of operations and financial condition could be materially and adversely affected.

We are subject to a variety of costs, risks and uncertainties in executing our growth strategies, such as capturing expansion opportunities in existing and new business initiatives. We may not be able to successfully execute these growth strategies, which could adversely affect our business, financial condition and results of operations.

Our business plans and strategies have been formulated based on a number of assumptions and ongoing successful cooperation with our business partners. There is, however, no assurance that these business plans and strategies will be successfully implemented in the future. For example, we plan to further invest in expanding music IP assets, supporting international expansion initiatives, strengthening technology-enabled capabilities, and building a diversified talent base aligned with our strategic priorities, but there are substantial uncertainties in our plan of use of **[REDACTED]**, and we cannot assure you that we will generate profits from such investment in future periods as planned. For more details about our plan of use of **[REDACTED]** from the **[REDACTED]**, see "Future Plans and Use of **[REDACTED]**." Factors critical to our success include:

- our ability to continuously invest in our music catalogue operation business and the results of such investment;
- our ability to retain and attract popular artists;
- our ability to create synergies among all our businesses;
- our ability to build and improve our brand image;
- our ability to obtain relevant governmental permits and approvals;
- effective recruiting, training and retention of our management personnel;
- our ability to develop and improve our existing administrative and operational systems; and
- stringent cost controls and working capital management.

Our expansion strategies have also placed, and will continue to place, substantial demand for our financial, managerial and other resources. In particular, we may fund some of our expansion plans through our internal financial resources, such as cash flows from operations, and may also seek external equity or debt financings. If we seek debt financings for such plans, we may incur interest costs, which may affect our profit. In addition, we may not be able to manage our current or future operations effectively and efficiently to compete successfully in our existing markets or the new markets that we enter. We may also need to adjust our business plans and growth strategies from time to time, which could involve uncertainties. If our business plans and growth strategies fail to perform as expected, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to risks related to AI and related technologies.

We believe that AI can be used to enhance human creativity in music, and we have been exploring the opportunities emerging from this technology, including applying AI for optimizing our operation. If we fail to keep pace with rapidly evolving technological developments in AI, or our competitors or other third parties incorporate AI more quickly or more successfully than us, our competitive position and business results may suffer. In particular, our competitors may utilize AI tools to generate a vast quantity of music content and works that may compete with our music catalogue and dilute our brand impact, which can help our competitors capture more market shares and hence negatively affect our competitive edges.

We are investing in the development and application of AI-generated content (AIGC), data analytics and other emerging technologies across our business, including AI-based voice synthesis, music data analytics, AIGC-enabled creative tools, content tagging, automated review and smart distribution. However, the development and commercial application of AIGC in the music industry remain subject to significant uncertainties, including evolving regulatory requirements in the PRC governing AI-generated content, uncertainties regarding the ownership of intellectual property rights in AI-generated works, potential liability arising from the training of AI models on copyrighted material, and the risk that AI-generated content may not meet audience expectations or achieve commercial success. The PRC government has issued and may continue to issue regulations governing generative AI services, which could impose new compliance requirements, restrict certain applications of AIGC technology or create legal uncertainties regarding the commercialization of AI-generated music content. If we fail to comply with such regulations, are unable to successfully develop and commercialize our AI capabilities, or if the regulatory environment materially restricts our planned AI initiatives, our investment in such technologies may not generate the expected returns, and our competitive position, business, financial condition and results of operations could be materially and adversely affected.

The unauthorized reproduction of copyrighted works to train AI technology that creates AI-generated content may infringe intellectual property rights and may embody unauthorized or fraudulent renditions of artist voices, images and likenesses. There is no assurance that our competitors will not engage in such unauthorized reproduction of our copyrighted works, which may lead to infringement upon our intellectual property rights. Also, we cannot assure you that we may successfully prevent our competitor if they decide to do so, the failure of which could have a material adverse effect on our business, results of operations, reputation and prospects.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information.

We have devoted substantial resources to protect our trade secrets and other proprietary information, relying significantly on confidentiality provisions in agreements with our employees and third parties. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure. In addition, others may independently discover trade secrets and proprietary information. 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 may materially and adversely affect our competitive position.

We may be accused of infringing upon intellectual property rights of third parties, which could adversely affect our business, financial condition and results of operations.

We depend to a large extent on our ability to effectively develop and maintain intellectual property rights relating to our business. Third parties may allege that our business infringes upon or otherwise violates their copyrights or other intellectual property rights, whether with or without merit. We may become involved in litigations and proceedings relating to allegations of infringement of intellectual property rights, defamation and violations of third parties' rights. The validity, enforceability and scope of protection of intellectual property rights are still evolving in the jurisdictions where we operate. As we face increasing competition and as litigation becomes a more commonly pursued method for resolving commercial disputes in the jurisdictions where we operate, we face a higher risk of being the subject of intellectual property infringement claims. Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favorable final outcomes in all cases. Such intellectual property claims, even if they are frivolous or do not result in liability, may harm our brand and reputation. Any resulting liability or expenses, or changes required to our business to reduce the risk of future liability, may have a material adverse effect on our business, results of operations and prospects.

We depend substantially on the continuing efforts of our senior management and key personnel, and our business and prospects may be severely disrupted if we lose their services.

Our future success depends on the continual services of our senior management and key personnel for our business operations. If we lose the services of any senior management and key personnel, we may not be able to locate suitable or qualified replacements or may incur additional expenses to recruit and train new comparable personnel, which could severely disrupt our business and prospects. In addition, the loss of any of our key employees may adversely impact the perception of us by our collaborating corporate customers and media platforms. Furthermore, if any of our senior management and key personnel joins a competitor or forms a competing company, we may lose a significant number of our customers, which also could have a material adverse effect on our business and results of operations. Due to the intense demand and competition for talent in our industry, we may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our employee benefit expenses. If we fail to recruit sufficient talent to support the rapid growth of our businesses, we may not be able to maintain our competitiveness in the market, which could adversely impact our business and results of operations.

We rely on our suppliers in the development, production and promotion of our music content as well as the operation of live entertainment events, and we have a high degree of supplier concentration. Our failure to retain the services of key suppliers or manage supplier concentration risk may materially and adversely affect our business and results of operations.

Our suppliers mainly include (i) artists and other creative talent, (ii) music copyright holders and content providers, (iii) event-related service providers, and (iv) technical and operational service providers. During the Track Record Period, our purchases attributable to the five largest suppliers were RMB139.9 million, RMB511.6 million and RMB474.8 million in 2023, 2024 and 2025, respectively, among which our purchases attributable to the largest supplier in 2023, 2024 and 2025 amounted to RMB45.1 million, RMB351.5 million and RMB333.0 million, respectively. There can be no assurance that they will continue to work with us on acceptable terms or at all, particularly where they are offered higher competitive bids, or that the costs associated with attracting alternative suppliers will be reasonable. If we fail to acquire and retain highly qualified suppliers on favorable terms, our revenue and profitability could be adversely affected. Any failure by our suppliers to perform their obligations under the relevant agreements, to comply with the applicable laws and regulations and industry standards, or to satisfy our specific requirements and expectations, may have an adverse and material impact on our business, financial condition and results of operations.

Inability to renew or obtain our qualifications, licenses and permits could materially affect our business, financial condition and results of operations.

We are required to obtain a number of qualifications, licenses and permits for our business in the PRC, especially in relation to our artist management and live entertainment business. The State Council promulgated the Regulation on the Administration of Commercial Performances (《營業性演出管理條例》) (the "**Regulation**") on July 7, 2005, which was last amended on November 29, 2020. Moreover, the Ministry of Culture and Tourism issued the Measures for the Administration of Performance Brokers (《演出經紀人員管理辦法》) (the "**Administration Measures**") on December 13, 2021, which came into effect on March 1, 2022. Pursuant to the

Regulation and the Administration Measures, there shall be three or more full-time performance brokerage personnel who hold the Performance Brokerage Qualification Certificate and funds sufficient for the agency's business and the application should be filed with and approved by the culture administrative department of the government of the province, autonomous region or municipality directly under the central government. If the application is approved, a Commercial Performance License will be granted to the relevant performance brokerage institution. We are required by the relevant regulations to obtain and renew our Commercial Performance License for our artist management business, and our artist managers need to hold the Performance Brokerage Qualification Certificate to provide services to our managed artists. In addition, we are required to obtain and maintain the Value-Added Telecommunications Business Operation License for the operation of our ShowStart platform. If any of our qualifications, licenses or permits are revoked due to our violation of applicable laws, regulations and rules, or if we fail to renew any of the qualifications, licenses and permits necessary for our business upon their expiration, we may not be able to engage in the relevant business and our results of operations will be materially and adversely affected.

Our existing and future strategic alliances, investments or acquisitions may fail, which may materially and adversely affect our business, reputation, results of operations and financial condition.

We may enter into strategic alliances, including joint ventures or equity investments, with various third parties to further our business purpose from time to time. These alliances could subject us to a number of risks, including risks associated with sharing proprietary information, non-performance by the third parties and increased expenses in establishing new strategic alliances, any of which may materially and adversely affect our business. We may have limited ability to monitor or control the actions of these third parties, and to the extent any of these strategic third-parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with any such third parties.

In addition, when appropriate opportunities arise, we may acquire additional assets, products, technologies or businesses that are complementary to our existing business. We may also have to obtain approvals and licenses from relevant government authorities for the acquisitions and to comply with any applicable laws and regulations, which could result in increased delay and costs, and may derail our business strategy if we fail to do so. Furthermore, past and future acquisitions and the subsequent integration of new assets and businesses require significant attention from our management and could result in a diversion of resources from our existing business, which in turn could have an adverse effect on our business operations. Acquired assets or businesses may not generate the financial results that we expect. Acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, the occurrence of significant goodwill impairment charges, amortization expenses for other intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the costs of identifying and consummating acquisitions may be significant. Furthermore, our equity investees may generate significant losses, a portion of which will be shared by us in accordance with IFRS. Any such negative developments could have a material adverse effect on our business, financial condition and results of operations.

Our financial condition and results of operations may fluctuate and our historical results may not be indicative of our future performance.

During the Track Record Period, our revenue increased from RMB860.6 million in 2023 to RMB1,419.1 million in 2024, and then decreased to RMB1,300.3 million in 2025, representing a CAGR of 22.9% between 2023 and 2025. Our profit for the year increased from RMB33.9 million in 2023 to RMB55.7 million in 2024, and further increased to RMB120.4 million in 2025, at a CAGR of 88.6% between 2023 and 2025. Such increases reflected our business growth and expansion throughout the Track Record Period. For more details, see "Financial

Information – Period-to-Period Comparison of Results of Operations." Our financial condition and results of operations may fluctuate due to a number of other factors, many of which are beyond our control, including but not limited to:

- macroeconomic conditions and geopolitical factors;
- consumers' willingness to pay for music content and services;
- the multi-scenario and diversified demand for music content and musicians;
- the global influence and popularity of Chinese language music;
- the music copyright protection system in China and worldwide;
- other applicable laws and regulations as well as government policies and initiatives;
- our business competitiveness;
- our brand and industry leadership;
- our operational efficiency;
- our engagement with ecosystem partners;
- our technological capabilities; and
- seasonality.

We may not maintain our past growth rates in future periods, and we may not sustain profitability in the future. Our historical results, growth rates and profitability may not be indicative of our future performance. Our Shares could be subject to significant price volatility should our earnings fail to meet the expectations of the investors.

We may need additional capital for our operations and we may not be able to obtain it on acceptable terms or at all, which could adversely affect our liquidity and financial condition.

The operation of our businesses requires significant capital investment. Historically, we have financed our business activities through cash generated from our operations, debt and equity financing. As of April 30, 2026, we had cash and cash equivalents of RMB434.9 million. If our current sources are insufficient to satisfy our cash requirements, we may seek additional debt or equity financing or obtain a credit facility. The issuance of additional equity securities or convertible debt securities could result in dilution to our Shareholders. The incurrence of indebtedness could result in increased debt service obligations, increased finance costs and operating and financing covenants that would restrict our operations and liquidity and negatively impact our financial performance.

Our ability to obtain additional capital on acceptable terms is subject to a variety of risks and uncertainties, including:

- investors' perception of, and demand for, our securities;
- prevailing conditions of the capital markets in which we seek to raise funds;
- our financial performance and gearing ratio;
- our future results of operations, financial condition and cash flows;
- governmental regulation of the entertainment industry;
- governmental policies relating to foreign currency; and

- economic, political and other conditions.

Any failure by us to raise additional funds that are necessary for our operations on terms favorable to us could have a material adverse effect on our liquidity and financial condition.

The fair value measurement of our convertible redeemable preferred shares is subject to uncertainties and risks, and changes in fair value may affect our financial performance.

Our Company has issued convertible redeemable preferred shares to certain shareholders. Following such issuance, these convertible redeemable preferred shares were recognized as financial liabilities, which amounted to RMB1,574.9 million, RMB1,634.1 million and RMB1,611.7 million as of December 31, 2023, 2024 and 2025, respectively, and RMB1,573.6 million as of April 30, 2026. We applied the discounted cash flow method to determine the underlying equity value of us and adopted the option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares. The valuation of the fair value of convertible redeemable preferred shares requires us to make significant estimates, which may be subject to material changes, and therefore inherently involves a certain degree of uncertainty. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such convertible redeemable preferred shares, which therefore may cause our estimates to vary from actual results. These valuation uncertainties may lead to fluctuations in the fair value of such convertible redeemable preferred shares, which could adversely affect our results of operations and financial condition.

If we determine our intangible assets to be impaired, our results of operations and financial condition may be adversely affected.

As of December 31, 2023, 2024 and 2025, we had intangible assets of RMB401.3 million, RMB393.4 million and RMB362.3 million, respectively, which primarily consisted of music copyrights and goodwill. We have and will continue to incur amortization expenses as we amortize intangible assets, particularly music copyrights, with finite useful lives over their estimated useful life on a straight-line basis. Our determination on whether intangible assets are impaired requires an estimation on the recoverable amount of the intangible assets, which is based on a number of assumptions made by our management. If any of these assumptions do not materialize, or if the performance of our business is not consistent with such assumptions, the carrying amount of the intangible assets may exceed its recoverable amount, and our intangible assets may be impaired. As a result, we may be required to have a write-off of our intangible assets and record an impairment loss. The impairment of intangible assets could have an adverse effect on our business, financial condition and results of operations. For more information regarding our impairment policy in relation to intangible assets, see Note 39 to the Accountant's Report in Appendix I to this document.

We are exposed to credit risk arising from our trade receivables. Failure to collect our trade receivables in a timely manner or at all could have a material and adverse impact on our business, financial condition, liquidity and prospects.

Our cash flows and profitability are subject to the timely settlement of payments by our customers. During the Track Record Period, our customers primarily include (i) online music platforms and other music service providers, (ii) online video, long-form audio and media platforms, (iii) event organizers, promoters and venues, and (iv) brand customers and other commercial counterparties. We normally allow a credit term within 30 days to our customers. In practice, however, collection period for certain customers may be longer than the credit term stipulated in our agreements, due to these customers' strict budget management and internal approval procedures.

We cannot assure you that we will be able to collect our trade receivables on time pursuant to the agreed payment schedule. Our customers may delay or even default in their payment obligation, and we may need to make provisions for trade receivables. We had allowance for impairment on trade receivables of RMB0.6 million, RMB1.1 million and RMB0.7 million as of December 31, 2023, 2024 and 2025, respectively. Although we have initiated proactive and periodic communications with our customers for payments, such measures may not be adequate to safeguard against material credit risks nor to guarantee that our customers will settle payment when it comes due, which could materially and adversely affect our financial condition and results of operations.

We may be exposed to risks associated with our prepayments.

Our prepayments consist primarily of prepayments for our artist management and live entertainment operation. As of December 31, 2023, 2024 and 2025, the balance of our current prepayments amounted to RMB52.0 million, RMB28.2 million and RMB157.6 million, respectively, and the balance of our non-current prepayments was RMB16.0 million, RMB2.2 million and RMB2.4 million, respectively. We cannot assure you that we will be able to request the refund of prepayments if relevant parties delay or default in performing their obligations, or collect other receivables on time pursuant to the agreed payment schedule. Moreover, even if some performance events do not proceed as planned, certain of our prepayments for such events may not be subject to refunds under relevant contractual terms. Further, the time frame and method for the refund may not be specified, and there may not be a mechanism in place to ensure that the refund will be made on a timely basis. As a result, we may need to make provisions for prepayments. The occurrence of such event may materially and adversely affect our financial condition and results of operations.

We are exposed to risks associated with our investment in cash management products.

We invested in substantial amounts of cash management products during the Track Record Period. Our investments in cash management products amounted to RMB179.6 million, RMB165.8 million and RMB615.6 million as of December 31, 2023, 2024 and 2025, respectively. Fair value of our cash management products is estimated by using valuation techniques and on the basis of market observable and unobservable inputs. The use of unobservable inputs renders valuation uncertain, as changes in unobservable inputs such as expected return rate may change the fair value of cash management products we purchased. The significant fluctuation of our cash management products may continue to affect our results of operations in the future. We cannot assure you that market conditions and regulatory environment will result in fair value gains, or that we will not incur any losses from fair value changes on our financial assets at FVTPL in the future. If we incur such losses from fair value changes, our results of operations, financial condition and prospects may be adversely affected.

We are exposed to risks associated with our investments in unlisted equity securities.

We invested in certain privately owned companies during the Track Record Period. Our financial assets at FVOCI primarily represented strategic unlisted equity investments, which amounted to RMB2.5 million, RMB2.9 million and RMB3.8 million as of December 31, 2023, 2024 and 2025, respectively. We also had investments in unlisted shares with preferential rights of RMB9.7 million, RMB9.5 million and RMB10.8 million as of December 31, 2023, 2024 and 2025, respectively. The fair value of our investments in unlisted equity securities has been determined by using applicable valuation techniques on the basis of market observable and unobservable inputs, as these instruments are not traded in an active market. Any changes in the estimates and assumptions may lead to different valuation results and, in turn, changes in the fair value of our investments in unlisted equity securities. For details about fair value estimation, see Note 3 to the Accountant's Report in Appendix I to this document. These valuation uncertainties may materially affect our financial condition and results of operations.

We expect continued fluctuation in the fair value of our financial assets at FVOCI and investments in unlisted shares with preferential rights in the future.

We may grant share incentives under our Share Incentive Plan or issue additional Shares to key personnel, which may cause Shareholding dilution to our existing Shareholders, result in share-based compensation expenses and negatively impact our results of operations.

We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel. Under our Share Incentive Plan, the maximum aggregate number of Shares which may be issued is 67,863,137 Shares. The principal terms of the Share Incentive Plan are set out in the section headed "Statutory and General Information – D. Pre-**[REDACTED]** Share Incentive Plan" in Appendix IV to this document. As of the Latest Practicable Date, (i) all the options representing Ordinary Shares held by our employee shareholding platform had been granted and vested pursuant to the Share Incentive Plan, and (ii) options representing [39,172,061] Ordinary Shares available under the Share Incentive Plan had been granted to [28] eligible participants pursuant to the Share Incentive Plan. Options representing the remaining [13,122,251] Ordinary Shares available under the Share Incentive Plan will be further granted prior to the Listing. The total number of Shares underlying all the outstanding options represents approximately **[REDACTED]**% of the total number of Shares in issue immediately after completion of the **[REDACTED]** (assuming the **[REDACTED]** is not exercised and no additional Shares are issued under the Share Incentive Plan). See "History, Reorganization and Corporate Structure – Major Corporate Development and Shareholding Changes of Our Group – Share Incentive Plan" for further details. To further incentivize our employees to contribute to us, we may grant other share-based compensation in the future. Issuance of additional Shares with respect to such share-based payment may dilute the shareholding percentage of our existing Shareholders. We may also incur expenses associated with share-based compensation. Such share-based compensation expenses will be recorded in our financial statements and may have an adverse effect on our results of operations.

Our business has benefited from certain preferential tax treatment. Failure to obtain preferential tax treatment that may be available to us, or the discontinuation, reduction or delay of preferential tax treatment could adversely affect our business, financial condition, results of operations and prospects.

During the Track Record Period, we were entitled to certain preferential tax treatment. Although we do not rely on preferential tax treatment in operating our businesses, our results of operations could be affected by the changes in such preferential tax treatment. The governmental authorities may decide to reduce or cancel such preferential tax treatment. The discontinuation, reduction or delay of preferential tax treatment could adversely affect our business, financial condition, results of operations and prospects. In addition, we may not be able to successfully or timely obtain preferential tax treatment that may become available to us.

Pandemics and epidemics, natural disasters, terrorist activities, political unrest, and other force majeure may disrupt our production, delivery, and operations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Our business could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreaks of other widespread health epidemics, such as swine flu, avian influenza, severe acute respiratory syndrome, COVID-19, Ebola, or Zika or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of such a disaster or prolonged outbreak of an epidemic illness or other adverse public health developments in the countries and regions we operate in could materially disrupt our business and operations. Such events could also significantly affect our industry and cause a temporary closure of the facilities we use for our operations, which would disrupt our operations and have an adverse effect on our business, financial condition, results of operations and prospects. Our operations could be disrupted if any of our employees were suspected for having any of the epidemic illnesses, since this could require us to quarantine some or all of such employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak harms the Chinese or global economy in general. Our operations could also be severely disrupted if our customers, suppliers or other participants were affected by such natural disasters, health epidemics or other outbreaks.

We may collect, store, transmit and dispose certain personal data in our business operations, which subjects us to complex and evolving regulations and oversight related to data security.

We collect and process data in the ordinary course of our business primarily for the purposes of platform operation, ticketing services, artist management, content commercialization and internal administration. The types of data we handle generally include publicly available data and limited personal information provided by users of our ShowStart platform, artists, applicants for artist-related projects and business partners in connection with account registration, transaction processing, contractual arrangements and compliance requirements. We face risks inherent in protecting the security of such personal data, including: (i) protecting the data against misappropriation by outside parties or fraudulent behavior by our employees; (ii) addressing concerns related to privacy and sharing, safety, security and other factors; and (iii) complying with applicable laws, rules and regulations relating to the collection, storage, use, processing, transmission, disclosure or security of personal information and other data, including any requests from regulatory and government authorities relating to such data. The laws and regulations on data privacy and security are still evolving. On June 10, 2021, the Standing Committee of the National People's Congress ("**SCNPC**") promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) ("**Data Security Law**"), which came into effect on September 1, 2021. The Data Security Law imposes certain data security and privacy obligations on entities and individuals carrying out data activities. Further, the Personal Information Protection Law (《個人信息保護法》) was passed by SCNPC on August 20, 2021 and came into effect on November 1, 2021. For details, see "Regulatory Overview – Summary of Laws and Regulations in Chinese Mainland – Cybersecurity and Privacy."

We cannot assure you that we comply with the laws and regulations regarding the protection of personal information at all times. There also may be a risk of leakage of such personal information we collected. Any leakage of personal data could harm our reputation and brands and, consequently, our business, in addition to exposing us to potential legal liability. We have implemented data security management measures to safeguard the confidentiality, integrity and availability of data under our control, and to comply with applicable data privacy, personal information protection and data security laws and regulations. For details, see "Business – Data Privacy and Security." However, we cannot guarantee the effectiveness of these measures in all circumstances. Any failure, or perceived failure, by us to comply with any regulatory requirements or laws, rules and regulations on data protection and privacy could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

User access to our ShowStart platform may be affected by third-party interference beyond our control.

We offer online ticketing services through our ShowStart platform for live entertainment events, including concerts, livehouses, musicals, drama, comedies and other entertainment events. Access to our ShowStart platform may be affected by restrictions on the ability of our users to access the relevant applications via the internet. Corporations, professional organizations and governmental agencies could block access to the internet or our ShowStart platform as a competitive strategy or for other reasons, such as security or confidentiality concerns, or political, regulatory or compliance reasons. In any of these occurrences, users may not be able to access our services offered through our ShowStart platform, and user engagement and monetization of our services may be adversely affected.

Additionally, we offer our mobile apps via app stores operated by third parties. Some of these third parties are now, and others may in the future become, competitors of ours, and could stop allowing or supporting access to our mobile apps through app stores, increase access costs or change the terms of access in a way that makes our apps less desirable or harder to access. Furthermore, since the mobile devices that provide users with access to our services are not manufactured and sold by us, we cannot guarantee that such devices will perform reliably, and any faulty connection between these devices and our services may result in user dissatisfaction toward us. As a result, our brand and reputation, business, financial condition and results of operations may be materially and adversely affected.

Any non-compliance with anti-bribery and anti-corruption laws and other forms of illegal acts and misconduct by our employees, our managed artists or collaborating artists or our business partners may materially and adversely affect our business, reputation, results of operations and financial condition.

We are subject to anti-bribery, anti-corruption and other relevant laws and regulations in the jurisdictions where we operate. While we have adopted and implemented internal controls and procedures to monitor both internal and external compliance with such laws and regulations, we cannot guarantee that such internal controls and procedures will always be effective in preventing non-compliance and exculpating us from penalties or liabilities that may be imposed by relevant government authorities due to violations committed by our employees, our managed artists or collaborating artists or our business partners. If our employees, managed artists or collaborating artists are found or alleged to have violated anti-bribery or anti-corruption laws and regulations, we may face or be involved in fines, lawsuits and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

Our limited insurance coverage could expose us to significant costs and business disruption. Any uninsured occurrence of business disruption, material litigation or natural disaster could expose us to significant costs, which could have an adverse effect on our results of operations.

We maintain certain insurance policies to safeguard against various risks and unexpected events associated with our business and operations, including the insurance related to office security as well as the insurance related to live entertainment events covering the security of artists and venues. We also provide social security insurance as required by relevant rules and regulation in the jurisdictions where we operate for our employees. While we believe our insurance practice is in line with industry standards, our insurance coverage is limited. For example, we do not maintain any business interruption insurance, key man life insurance, third-party liability insurance or any insurance for our leased properties. We also do not maintain insurance against risks relating to the contracts. Any uninsured occurrence of business disruption, material litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material and 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 if the compensated amount is significantly less than our actual loss, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our Company, Directors and officers may be involved in legal disputes and proceedings in the ordinary course of business from time to time and are exposed to significant liabilities as a result.

Our Company, Directors and officers may be involved in legal disputes, legal proceedings and claims arising in the ordinary course of business from time to time. If the outcome of any such legal dispute or proceeding is unfavorable to our Company, Directors or officers, or if our Company, Directors or officers are unable to successfully defend against third-party lawsuits, our Company, Directors or officers may be required to pay monetary damages or may be subject to fines, penalties, injunctions or other sanctions that could have a material adverse effect on our reputation, business, financial condition and results of operations. In connection with certain legal proceedings, our Director or officer may be subject to restricted consumption orders. Even if our Company, Directors or officers adequately address the issues raised by a legal proceeding or successfully defend against a third-party lawsuit or counterclaim, our Company, Directors or officers may nonetheless be required to devote significant financial and management resources to address such matters, which could adversely affect our business, financial condition and results of operations.

Failure to pay the social insurance premium and housing provident funds for and on behalf of our employees in accordance with the relevant laws and regulations may have an adverse impact on our financial condition and results of operation.

Pursuant to the PRC laws and regulations, we are required to participate in the employee social welfare plan administered by local governments. Such plan consists of pension insurance, medical insurance, work-related injury insurance, maternity insurance, unemployment insurance and housing provident funds. The amount we are required to contribute for each of our employees under such plan should be calculated based on the employee's actual salary level of the previous year, and be subject to a minimum and maximum level as from time to time prescribed by local authorities. From time to time, we may not make full contributions to social insurance and housing provident funds for our employees. Pursuant to relevant PRC laws and regulations, under-contribution of social insurance within a prescribed period may subject us to a daily overdue charge of 0.05% of the delayed payment amount. If such payment is not made within the stipulated period, the competent authority may further impose a fine of one to three times of the overdue amount. Pursuant to the relevant PRC laws and regulations, if there is any failure to pay the full amount of housing provident fund as required, the housing provident fund management center may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. We cannot assure you that the competent authority will not require us to rectify any non-compliance by making contribution of unpaid social insurance premium and housing provident fund or impose fine or penalty related thereto.

We rely significantly on third-party short-video and social media platforms for the marketing and promotion of our music content and artists, and changes to such platforms could adversely affect our business.

We rely significantly on short-video platforms and social media channels for the promotion and marketing of our music content and artists. We maintain a strong operating presence on leading short-video platforms such as Douyin and are connected with nearly 3,000 domestic and overseas marketing accounts. A substantial portion of our marketing and content dissemination strategy is based on leveraging the algorithms, user traffic and distribution mechanisms of these third-party platforms. If these platforms change their algorithms, policies, fee structures or content moderation practices in ways that are adverse to our content, or if they restrict or deprioritize music-related content, our marketing effectiveness could be significantly diminished. Moreover, any platform outage, regulatory action against these platforms, or deterioration of our relationship with such platforms could disrupt our promotional activities and reduce audience reach. As we do not control these platforms, we cannot guarantee continued access on favorable terms. Any material disruption to our social media and short-video marketing channels could materially and adversely affect the commercial performance of our music content, artist exposure and overall business results.

Our operational and financial performance may be influenced by seasonality.

Although our music catalogue operation is generally not subject to seasonal fluctuations, the performance of our artist management and live entertainment business will be negatively affected by cold weather and the disruptive effect of long holidays, particularly the Chinese New Year. Our artist management services and the production and operation of live entertainment events are typically more popular in warm seasons. Moreover, during the Chinese New Year, many of our business partners have reduced their operating activities and the demand for our artist management and live entertainment business may decline due to the long holiday. Therefore, the revenue of this business segment may be relatively lower in the first quarter. Accordingly, various aspects of our operations, particularly our revenue, are exposed to the risks associated with seasonal fluctuations, and our quarterly revenue may not reflect our full year revenue.

Our business, financial condition and results of operations may be affected by geopolitics and international policies.

Our international operations and capital-raising activities are subject to complex and evolving trade and foreign investment regimes. Recent geopolitical developments, including tensions between the United States and China, have created new and heightened uncertainties. For example, in April 2025 the U.S. government announced substantial new tariffs across a wide range of products and jurisdictions and signaled continued policy development. Certain governments announced or implemented retaliatory measures. Although China and the United States announced in October and November 2025 to substantially reduce tariff levels, future policy shifts could reintroduce or expand tariffs or other trade barriers. On February 20, 2026, the U.S. Supreme Court ruled that the President lacked authority to impose tariffs under the International Emergency Economic Powers Act ("**IEEPA**"), but the Trump Administration has already sought to replace the IEEPA tariffs with other tariff tools. These developments may depress cross-border trade, investment and technology exchange, alter political and economic relations among countries, and lead to sanctions, export controls, import restrictions, localization mandates, increased duties and taxes, labor market disruption and broader political instability that are outside our control.

We may face penalties for the non-registration of our lease agreements.

As of the Latest Practicable Date, the lease agreements with respect to 14 properties we leased in the PRC for our business operations had not been registered or filed with the relevant PRC government authorities. As advised by our PRC Legal Adviser, failure to register such lease agreements with the relevant PRC government authorities does not affect the validity and enforceability of the relevant lease agreements but the relevant PRC government authorities may order us or the lessors to, within a prescribed time limit, register the lease agreements. Failure to do so with the time limit may subject us to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease agreements. For details, see "Business – Properties – Leased Properties." During the Track Record Period and up to the Latest Practicable Date, we had not received any such request or suffered any such fine from the relevant PRC government authorities. We cannot assure you that our lessors will cooperate with us to register such leases due to factors beyond our control or our use of the relevant properties will not be further challenged in the future. Any of these may have an adverse effect on our business, financial condition, results of operation and prospects.

Our shareholding structure may be affected by legal matters involving our Shareholders.

Our Shareholders, including our major Shareholders, Controlling Shareholders, Directors or members of our senior management who hold interests in our Company, may from time to time become involved in litigation, arbitration, enforcement proceedings, debt recovery actions or other disputes relating to their personal obligations, investments or business activities outside our Group. If any such person becomes subject to an adverse judgment, award or order, the shares or equity interests in our Company held by that person, or shares or equity interests in a subsidiary which may be held by such person, may be subject to attachment, freezing, seizure, transfer, disposal or sale in order to satisfy the relevant judgment, award, order or other liability.

If a material number of Shares, or the interests through which Shares are held, are attached, seized, transferred, disposed of or sold pursuant to any such judgment, award, order or enforcement action involving our major Shareholders or Controlling Shareholders, our shareholding structure may change, potentially in a manner beyond our control. Any such change could adversely affect investor confidence, the market perception of our Company and the trading price or liquidity of our Shares, and could therefore materially and adversely affect the interests of our Shareholders. Please refer to "— Our Company, Directors and officers may be involved in legal disputes and proceedings in the ordinary course of business from time to time and are exposed to significant liabilities as a result" in this section.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS IN WHICH WE OPERATE

Changes in economic, political or social conditions or government policies in the markets in which we operate could have a material adverse effect on our business and results of operations.

We derive revenue from and operate in multiple jurisdictions. As such, changes in certain jurisdictions could have a material impact on our future prospects, business, results of operations and financial condition. For example, a majority of our revenue is derived from our businesses in the PRC during the Track Record Period. Accordingly, our future prospects, business, results of operations and financial condition are, to a material extent, subject to economic, political and legal developments in the PRC. Moreover, if foreign governments implement laws or regulations restricting investment in Chinese entities and we are deemed to be subject to such restrictions, the investment and transactions in our Shares, our business prospects, results of operations, financial conditions and future capital raising may be adversely affected.

Any uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

We are subject to certain uncertainties embedded in the legal systems of some geographic markets where we operate. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations are subject to future implementations, and the application of some of these laws and regulations to our businesses is not settled. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we have in many of the geographic markets where we operate. Local courts may have discretion to reject the enforcement of foreign awards or arbitration awards. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims. In addition, regulatory uncertainties may be exploited through unmerited or frivolous legal actions, claims concerning the conduct of third parties, or threats in attempt to extract payments or benefits from us.

We may be subject to additional regulatory requirements relating to new laws and regulations in connection with [REDACTED] issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Overseas Listing Trial Measures (which came into effect on March 31, 2023). The Overseas Listing Trial Measures are applicable to overseas **[REDACTED]** and **[REDACTED]** conducted by issuers who are (i) companies incorporated in the PRC and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Trial Measures lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. The Overseas Listing Trial Measures stipulate that such issuer shall fulfill the filing procedures within three working days after it makes an application for offering and listing in an overseas stock market. According to the Overseas Listing Trial Measures, we, as a company incorporated overseas with substantial operations in the PRC seeking to **[REDACTED]** in overseas markets, are required to fulfill the filing procedure with the CSRC within three working days after submitting the **[REDACTED]** to the overseas supervisory authorities to report relevant information. See "Regulatory Overview – Summary of Laws and Regulations in Chinese Mainland – Overseas Listing Regulations" for more details.

The Overseas Listing Trial Measures subject us to additional compliance requirements in the future, and we cannot assure you that we will be able to get clearance of our filing procedures under the Overseas Listing Trial Measures on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may significantly limit or completely hinder our ability to continue to sell our **[REDACTED]** to **[REDACTED]**, cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our **[REDACTED]** to decline in value.

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

We cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements or restrictions on us or our financing activities. If it is determined in the future that approval from or filing with the CSRC or other regulatory authorities or other procedures are required, we may fail to obtain such approval, perform such filing procedures or meet such other requirements in a timely manner or at all. We may face sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or other government authorization, or perform filing procedures, for this **[REDACTED]** or our future financing activities, and these regulatory authorities may impose fines and penalties on us, limit our operating activities in the PRC, limit our ability to pay dividends outside the PRC, delay or restrict the repatriation of the **[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.

It may be complex to effect service of process upon us or our management or to enforce against them or us any judgments obtained from foreign courts.

Although we are an exempted company incorporated in the Cayman Islands, a majority of our assets are located in the PRC. In addition, most of our Directors and senior management reside in the PRC. As a result, it may be complex for investors to effect service of process outside the Chinese mainland upon us, our Directors or senior management or to enforce judgments obtained against us in courts outside the Chinese mainland. A judgment of a court of another jurisdiction may be reciprocally recognized or enforced in the Chinese mainland only if the jurisdiction has a treaty with the Chinese mainland or if the jurisdiction has been otherwise deemed by the courts of the Chinese mainland to satisfy the requirements for reciprocal recognition, subject to the satisfaction of other requirements. However, the Chinese mainland is not a party to treaties providing for the reciprocal enforcement of judgments of courts with certain foreign countries such as the United States, and enforcement in the Chinese mainland of judgments of a court in these jurisdictions may consequently be difficult or impossible. On January 14, 2019, the Supreme People's Court of the PRC and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese 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 "**2019 Arrangement**"), which became effective on January 29, 2024. The 2019 Arrangement regulates, among others, the scope and particulars of judgments, the procedures and methods of the application for recognition or enforcement, the review of the jurisdiction of the court that issued the original judgment, the circumstances where the recognition and enforcement of a judgment shall be refused, and the approaches towards remedies for the reciprocal recognition and enforcement of judgments in civil and commercial matters between the courts in the Chinese mainland and those in Hong Kong. However, the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《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》) will remain applicable to a "choice of court agreement in writing".

We are subject to the currency exchange control system.

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

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

Fluctuations in the value of the Renminbi and other currencies may have a material and adverse impact on our results of operations and other comprehensive income or loss, as well as the value of your investment.

During the Track Record Period, a majority of our revenue and expenditures were denominated in Renminbi with the rest denominated in other currencies such as the Hong Kong dollar, the U.S. dollar, the New Taiwan dollar and Singapore dollar. The **[REDACTED]** from the **[REDACTED]** will be received in Hong Kong dollars. Fluctuations in the exchange rate between the Renminbi and the Hong Kong dollar will affect the relative purchasing power in Renminbi terms of the **[REDACTED]** from the **[REDACTED]**. Fluctuations in the exchange rate may also cause us to incur foreign exchange losses and affect the relative value of any dividend issued by our Group. In addition, appreciation or depreciation in the value of the Renminbi relative to the Hong Kong dollar or the U.S. dollar would affect our financial results in Hong Kong dollar or the U.S. dollar terms without giving effect to any underlying change in our business or results of operations.

Market forces, or the government policies may adversely impact the exchange rate between the Renminbi, the Hong Kong dollar, the U.S. dollar and other currencies in the future. Movements in Renminbi exchange rates may be affected by changes in political and economic conditions as well as applicable laws and regulations. To the extent that we need to convert other currencies into Renminbi for capital expenditures and working capital and other business purposes, appreciation of the Renminbi against such currencies would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert Renminbi into other currencies for the purpose of making payments for dividends on our Shares, strategic acquisitions or investments or other business purposes, appreciation of such currencies against the Renminbi would have a negative effect on such currency amounts available to us. Significant revaluation of the Renminbi may also have a material and adverse effect on your investment.

There are limited hedging instruments available in the PRC to reduce our exposure to exchange rate fluctuations between the Renminbi and other currencies. The cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. As of the Latest Practicable Date, we had not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risks. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

PRC regulations of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the [REDACTED] from the [REDACTED] to make loans to our PRC subsidiaries or to make additional capital contributions to our PRC subsidiaries, which may materially adversely affect our liquidity and our ability to fund and expand our business.

In utilizing the **[REDACTED]** we receive from the **[REDACTED]** in the manner described in "Future Plans and Use of **[REDACTED]**," as an offshore holding company with PRC subsidiaries, we may (i) make additional capital contributions to our PRC subsidiaries, (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (iii) make loans to our PRC subsidiaries, or (iv) acquire offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and approvals. For example, capital contributions to our PRC subsidiaries, whether existing or newly-established ones, are subject to the requirement of necessary filings in the Enterprise Registration System and the National Enterprise Credit Information Publicity System operated by the SAMR and registration with other PRC governmental authorities. Loans by us to our PRC subsidiaries, which are foreign invested enterprises, to finance their activities cannot exceed the statutory limits and must be registered with the SAFE, or its local branches. Any medium- or long-term loan to be provided by us to our PRC subsidiaries must be recorded and registered by the NDRC and registered with the SAFE, or its local branches.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) ("**SAFE Circular 19**"). SAFE Circular 19 reforms the administration of the settlement of the foreign exchange capital of foreign-invested enterprises by allowing foreign-invested enterprises to settle their foreign exchange capital at their discretion, but it continues to prohibit foreign-invested enterprises from using Renminbi funds converted from their foreign exchange capital for expenditures beyond their business scope. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions over Capital Account Foreign Exchange (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) ("**SAFE Circular 16**"). SAFE Circular 16 continues to prohibit foreign-invested enterprises from using the Renminbi funds converted from its foreign exchange capital for expenditures beyond their business scope, investment and financing (except for securities investment or non-guaranteed bank products), providing loans to non-affiliated enterprises or constructing or purchasing real estate other than for self-use. On October 23, 2019, the SAFE issued the Notice of SAFE on Further Facilitating Cross-border Trade and Investment (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》), which, among other things, expanded the use of foreign exchange capital to domestic equity investment area. Non-investment foreign-funded enterprises are allowed to lawfully make domestic equity investments by using their capital on the premise of no violation of prevailing special administrative measures for access of foreign investments (negative list) and the authenticity and compliance with the regulations of domestic investment projects. SAFE Circular 19 and SAFE Circular 16 and other relevant foreign exchange rules may significantly limit our ability to transfer and use in the PRC the **[REDACTED]** from this **[REDACTED]**, which may adversely affect our business, financial condition and results of operations.

We expect that the applicable laws and regulations may continue to limit our use of **[REDACTED]** or other financing sources. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all, with respect to future loans or capital contributions by us to our entities in the PRC. If we fail to receive such registrations or approvals, our ability to use the **[REDACTED]** and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

The M&A Rules and certain other applicable regulations establish complex procedures for certain acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth opportunities through acquisitions.

A number of PRC laws and regulations, including the Mergers and Acquisitions of Domestic Enterprise by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by the MOFCOM and five other PRC regulatory authorities on August 8, 2006, and amended on June 22, 2009, or the M&A Rules, the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) promulgated by the SCNPC on August 30, 2007, and amended on June 24, 2022, the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《商務部實施外國投資者併購境內企業安全審查制度的規定》) promulgated by the MOFCOM on August 25, 2011 and the Measures for the Examination of the Security of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020, have established procedures and requirements that are expected to make merger and acquisition activities in the PRC by foreign investors more time-consuming and complex. These include requirements in some instances that MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. The PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review. Moreover, the Anti-Monopoly Law of the PRC requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds be cleared by relevant government authorities before they can be completed.

In the future, we may grow our business in part by acquiring complementary businesses. Complying with the requirements of the relevant regulations and rules to complete such transactions could be time-consuming, and any required approval and report processes, including obtaining approval from the MOFCOM or its local counterparts and other government authorities, may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns. However, the MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in the PRC may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

Under the PRC EIT Law, we may be deemed a "PRC resident enterprise," which could result in unfavorable tax consequences to us and our Shareholders and have a material and adverse effect on our results of operations and the value of your investment.

We are a holding company incorporated under the laws of the Cayman Islands, indirectly holding interests in our PRC subsidiaries. Pursuant to the EIT Law, which became effective on January 1, 2008, if an enterprise incorporated outside the PRC has its "de facto management bodies" within the PRC, such enterprise may generally be deemed a "PRC resident enterprise" for tax purposes and be subject to an EIT rate of 25% on its global income. "De facto management body" is defined as the body that has actual overall management and control over the business, personnel, accounts and properties of an enterprise. On April 22, 2009, the SAT issued the Notice Regarding the Determination of Chinese-controlled Offshore Incorporated Enterprises as People's Republic of China Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) (the "**Circular 82**"), which sets out certain specific criteria for determining whether the "de facto management body" of a PRC-controlled enterprise that is incorporated offshore is located in the PRC. Further to the Circular 82, on July 27, 2011, the SAT issued the Administrative Measures of Enterprise Income Tax of Chinese-controlled Offshore Incorporated Resident Enterprises (Trial) ("**SAT Bulletin 45**"), which became effective on September 1, 2011, to provide more guidance on the implementation of the Circular 82. According to the Circular 82, an offshore-incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be considered a PRC tax resident enterprise by virtue of having its "de facto management body" in the PRC and will be subject to PRC EIT on its worldwide income only if all of the following conditions are met: (i) the senior management and core management departments in charge of its daily operations function have their presence mainly in the PRC; (ii) its financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) its major assets, accounting books, company seals, and files of the minutes of its board and shareholders' meetings are located or kept in the PRC; and (iv) not less than half of the enterprise's directors or senior management with voting rights habitually reside in the PRC. SAT Bulletin 45 provides further rules on residence status determination, post-determination administration as well as competent tax authorities procedures.

We believe none of our entities outside of the PRC is a PRC resident enterprise for the PRC EIT purposes. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities, and uncertainties remain with respect to the interpretation of the term "de facto management bodies". As a majority of our management members are based in the PRC, it remains unclear how the tax residency rule will apply to our case. We cannot assure you that we will not be considered a PRC resident enterprise for the PRC EIT purposes and be subject to the uniform 25% EIT rate on our global income. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for the PRC EIT purposes, dividends paid on our Ordinary Shares may be subject to the PRC withholding tax at a rate of 10% in the case of non-PRC enterprise shareholders or 20% in the case of non-PRC individual shareholders and gains realized on the sale or other disposition of our Ordinary Shares may be subject to the

PRC tax, at a rate of 10% in the case of non-PRC enterprise shareholders or 20% in the case of non-PRC individual shareholders, if such dividends or gains are deemed to be from the PRC sources. Any such PRC tax liability may be reduced under an applicable income tax treaty. However, it is unclear whether, if we are deemed a PRC resident enterprise, our Shareholders would be able to obtain the benefit of income tax treaties or agreements entered into between the PRC and other countries or jurisdictions.

Our PRC subsidiaries are subject to restrictions on paying dividends or making other payments to us, which may restrict our ability to satisfy our liquidity requirements.

We are a holding company, and we conduct our business through our PRC subsidiaries. Therefore, we may rely on dividends to be paid to us by our PRC subsidiaries for our cash requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our Shares and to service any debt we may incur. If our PRC subsidiaries incur debt, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under the PRC laws and regulations, a wholly foreign-owned enterprise in the PRC may pay dividends only out of its accumulated profits as determined in accordance with the PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years' accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such fund reaches 50% of its registered capital. At the discretion of the board of directors of the wholly foreign-owned enterprise, it may allocate a portion of its after-tax profits based on the PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. Any limitation on the ability of our PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

In addition, the PRC EIT Law and its implementation rules provide that a withholding tax rate of 10% will be applicable to dividends payable by PRC companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC and governments of other jurisdictions in which the non-PRC-resident enterprises are incorporated.

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

Pursuant to the Notice on Strengthening the Administration on Enterprise Income Tax for Non-Resident Enterprise Equity Transfer (the "**SAT Circular 698**") issued by the SAT in December 2009 with retroactive effect from January 1, 2008, where a non-resident enterprise transfers the equity interests of a PRC resident enterprise indirectly by disposition of the equity interests of an overseas non-public holding company, and such overseas holding company is located in a tax jurisdiction that (i) has an effective tax rate of less than 12.5% or (ii) does not impose income tax on foreign income of its residents (the "**Indirect Transfer**"), the non-resident enterprise, being the transferor, must report such Indirect Transfer to the competent tax authority of the PRC resident enterprise. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC withholding tax at a rate of up to 10%. SAT Circular 698 also provides that, where a non-PRC resident enterprise transfers its equity interests in a PRC resident enterprise to its related parties at a price lower than the fair market value, the relevant tax authority has the power to make a reasonable adjustment to the taxable income of the transaction.

On February 3, 2015, the SAT issued the Bulletin 7. Bulletin 7 supersedes the rules with respect to the Indirect Transfer under SAT Circular 698. Bulletin 7 has introduced a new tax regime that is significantly different from the previous one under SAT Circular 698. Bulletin 7 extends its tax jurisdiction to not only Indirect Transfers set out under SAT Circular 698 but also transactions involving transfer of other taxable assets through offshore transfer of a foreign intermediate holding company. In addition, Bulletin 7 provides clearer criteria than SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. Bulletin 7 also brings challenges to both foreign transferor and transferee (or another person who is obligated to pay for the transfer) of taxable assets. Where a non-resident enterprise transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise as either transferor or transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authorities. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC EIT and the transferee or another person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10%, for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws and regulations if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

On October 17, 2017, SAT issued the Announcement on Issues Concerning the Withholding of Enterprise Income Tax at Source on Non-PRC Resident Enterprises (《關於非居民企業所得稅源泉扣繳有關問題的公告》) (the "**Bulletin 37**"), which, among others, repeals the SAT Circular 698 on December 1, 2017. Bulletin 37 further details and clarifies the tax withholding methods in respect of income of non-resident enterprises under SAT Circular 698, and certain rules stipulated in Bulletin 7 are replaced by Bulletin 37. Where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the Enterprise Income Tax, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority; however, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax in time.

There are uncertainties as to the application of Bulletin 7 and Bulletin 37. For example, while the term "Indirect Transfer" is not clearly defined, it is understood that the relevant PRC tax authorities have jurisdiction regarding requests for information over a wide range of foreign entities having no direct contact with the PRC. Moreover, the relevant authority has not yet promulgated any formal provisions or made any formal declaration as to the process and format for reporting an Indirect Transfer to the competent tax authority of the relevant PRC resident enterprise. In addition, there are no formal declarations with regard to how to determine whether a foreign investor has adopted an abusive arrangement in order to reduce, avoid or defer PRC tax. Bulletin 7 and Bulletin 37 may be determined by the tax authorities to be applicable to previous investments by non-resident investors in our Company, if any, if such transactions were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our existing non-resident investors may become at risk of being taxed under Bulletin 7 and Bulletin 37 and may be required to expend valuable resources to comply with Bulletin 7 and Bulletin 37 or to establish that we should not be taxed under Bulletin 7 and Bulletin 37, which may have a material and adverse effect on our financial condition and results of operations or such non-resident investors' investments in us. We have conducted and may conduct acquisitions involving changes in corporate structures, and historically our shares were transferred by certain then shareholders to our current shareholders. We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. Any PRC tax imposed on a transfer of our Shares or any adjustment of such gains would cause additional costs and may have a negative impact on the value of your investment in us.

Regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to distribute profits to us and our ability to reinvest in our PRC subsidiaries and may otherwise expose us to liability and penalties.

Notice of the SAFE on Issues Concerning Foreign Exchange Administration of the Offshore Investment and Financing and the Round-Trip Investment Made by Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) ("**SAFE Circular 37**") requires PRC residents to register with the SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents must update their SAFE registrations when the offshore special purpose vehicle undergoes major events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions. According to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) released on February 13, 2015 by the SAFE, local banks will examine and handle foreign exchange registration for overseas direct investment, including the initial foreign exchange registration and amendment registration, under SAFE Circular 37 from June 1, 2015. If our Shareholders who are PRC residents as determined by SAFE Circular 37 do not complete their registration, the PRC entities in which the offshore special purpose vehicle holds interests may be prohibited from distributing their profits and proceeds to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the offshore special purpose vehicle may be restricted in its ability to contribute additional capital to any PRC entities in which it holds interests. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws and regulations for evasion of applicable foreign exchange restrictions. However, we may not at all times be fully aware or informed of the identities of all our Shareholders or beneficial owners that are required to make such registrations, and we cannot compel our beneficial owners to comply with SAFE registration requirements in a timely manner. As a result, we cannot assure you that all of our Shareholders or beneficial owners who are PRC residents have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations.

Failure to comply with regulations regarding the registration requirements for employee stock ownership plans or share option plans may subject the plan participants or us to fines and other legal or administrative sanctions.

Under the PRC laws, PRC residents who participate in the stock incentive plan in an overseas publicly-listed company are required to register with the SAFE or its local branches and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of the overseas publicly-listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of its participants. The participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, the purchase and sale of corresponding stocks or interests and fund transfers. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any major change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes. We and our PRC employees who have been granted share options are subject to these regulations. Failure of our PRC share option holders to complete their SAFE registrations may subject these PRC residents to fines and legal sanctions, limit their ability to make payment under the stock incentive plan or receive dividends or sales proceeds related thereto, or limit our ability to contribute additional capital into our PRC subsidiaries and our PRC subsidiaries' ability to distribute dividends to us, which may materially and adversely affect our business, financial condition and results of operations.

The custodians or authorized users of our controlling non-tangible assets, including chops and seals, may fail to fulfill their responsibilities, or misappropriate or misuse these assets.

Under the PRC law, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities.

In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit the application through our office automation system and the application will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. Although we monitor such authorized employees, the procedures may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries. If any employee obtains, misuses or misappropriates our chops and seals or other controlling nontangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations.

RISKS RELATING TO THE [REDACTED]

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

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

The trading price of our Shares may be volatile, which could result in substantial losses to you.

The trading price and trading volume of our Shares may be volatile and could fluctuate widely in response to factors beyond our control. The following factors, among others, may affect the trading volume and market price of our Shares:

- actual or anticipated fluctuations in our operating performance and revenue;
- our failure to execute our strategies;
- an unexpected business interruption resulting from operational breakdowns, natural disasters, or major changes in our key personnel or senior management;

- adverse market reaction to any indebtedness that we may incur or securities that we may issue in the future;
- announcements of competitive developments, acquisitions or strategic alliances in our industry;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industry;
- changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our business;
- inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties' intellectual property rights;
- the operating and stock price performance of other companies in our industry; and
- the release of lock-up or other transfer restrictions on our outstanding Shares or sales or perceived sales of Shares by us or other Shareholders.

In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in the Chinese mainland that have listed their securities in Hong Kong may also affect the volatility in the price of and trading volumes for our Shares. A number of the Chinese mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards the Chinese mainland-based companies listed in Hong Kong and consequently may impact the **[REDACTED]** performance of our Shares. Due to the lock-up requirement, the liquidity and trading volume of the Shares in the short-term following the **[REDACTED]** may be significantly affected. These factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

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

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

The Shares held by our Controlling Shareholders are subject to certain lock-up periods beginning on the date on which trading in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

The interests of our Controlling Shareholders may not align with those of our other Shareholders.

Immediately following the completion of the **[REDACTED]** and without taking into account any Shares which may be issued pursuant to the exercise of the **[REDACTED]** and any Shares that may be issued under the Pre-**[REDACTED]** Share Incentive Plan, our Controlling

Shareholders will be entitled to exercise voting rights of **[REDACTED]**% of the total issued share capital of our Company. The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. Our Controlling Shareholders could have significant influence in determining the outcome of any corporate transaction or other matters submitted to our Shareholders for approval. This concentration of ownership, as a result, may discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for their Shares in a sale of our Company or may reduce the market price of our Shares. In addition, to the extent the interests of our Controlling Shareholders conflict with the interest of our other Shareholders, the interests of our other Shareholders may be disadvantaged or harmed.

You will incur immediate and substantial dilution and may experience further dilution in the future.

As the **[REDACTED]** of our Shares is higher than the net tangible book value per Share of our Shares immediately prior to the **[REDACTED]**, purchasers of our Shares in the **[REDACTED]** will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the **[REDACTED]** may experience further dilution in their shareholding percentage.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications, market data providers and other independent third-party sources, including the industry expert reports, contained in this document.

This document, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to our industry. Such information and statistics have been derived from different official government publications, available sources from public market research and other sources from independent suppliers, and from an independent industry report prepared by Frost & Sullivan. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. The information from official government sources has not been independently verified by any of us, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, or any of their respective directors and advisers, or any other persons or parties involved in the **[REDACTED]** (excluding Frost & Sullivan), and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

Whether and when the dividends will be declared and paid cannot be assured.

Our ability to declare future dividends will depend on the availability of dividends, if any, received from our PRC subsidiaries. Under applicable laws and the constitutional documents of our PRC subsidiaries the payment of dividends may be subject to certain limitations. The calculation of profit of PRC subsidiaries under applicable accounting standards may differ in certain respects from the calculation under IFRS. As a result, our PRC subsidiaries and its subsidiaries may not be able to pay a dividend and we may not have sufficient distributable profit to pay dividends to our Shareholders in a given year even if our Group has profit as determined under IFRS. In addition, any future dividend declaration and distribution will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our Articles of Association and Cayman Islands laws, including, where required, the approvals from our Shareholders and Directors.

Moreover, our Directors may from time to time pay such interim dividends as our Board considers to be justified by our profits and overall financial requirements. As a result, we cannot assure you whether and when we will make dividend payments on our Shares in the future. For details about our dividends, see "Financial Information – Dividends."

Since we are incorporated under the Cayman Islands law, you may face difficulties in protecting your interest, and your ability to protect your rights through Hong Kong courts may be limited.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our Memorandum of Association and Articles of Association, the Cayman Companies Act (As Revised) and the common law of the Cayman Islands. The rights of Shareholders to take action against the Directors, actions by minority Shareholders and the fiduciary duties of our Directors to us under the Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedents in the Cayman Islands as well as from the common law of England and Wales, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our Shareholders and the fiduciary duties of our Directors under the Cayman Islands law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions. In particular, the Cayman Islands has a less developed body of securities laws than Hong Kong. Hong Kong has more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, the Cayman Islands companies may not have standing to initiate a shareholder derivative action in Hong Kong courts.

Shareholders of the Cayman Islands exempted companies like us have no general rights under the Cayman Islands law to inspect corporate records (other than the memorandum and articles of association and any special resolutions passed by such companies, and the registers of mortgages and charges of such companies) or to obtain copies of lists of shareholders of these companies. Under the Cayman Islands law, the names of our current Directors can be obtained from a search conducted at the Registrar of Companies. Our Directors will have discretion under the Memorandum of Association and Articles of Association we expect to adopt, to determine whether or not, and under what conditions, our corporate records may be inspected by our Shareholders, but are not obliged to make them available to our Shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a Shareholder resolution or to solicit proxies from other Shareholders in connection with a proxy contest.

As a result of all of the above, our public Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board of Directors or Controlling Shareholders than they would as public shareholders of a company incorporated in Hong Kong. For a discussion of significant differences between the provisions of the Cayman Companies Act (As Revised) and the laws applicable to companies incorporated in Hong Kong and their shareholders, see "Summary of the Constitution of the Company and Cayman Companies Act" in Appendix III to this document.

Waivers [have been] granted from compliance with certain requirements of the Listing Rules and a certificate of exemption [has been] granted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

We have applied for, and the Stock Exchange [has granted] to us, several waivers from strict compliance with the Listing Rules. We have also applied for, and the SFC [has granted] to us a certificate of exemption under Section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. For details, see "Waivers and Exemption." Our Shareholders will not have the benefits of the requirements that are so waived or exempted. Moreover, there is no assurance that the Stock Exchange or SFC will not revoke any of such waivers or exemption [granted] or impose certain conditions on any of them. If any of such waivers or exemption were to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multijurisdictional compliance, all of which could materially and adversely affect us and our Shareholders.

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

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

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the market price and trading volume of our Shares may decline.

The trading market for our Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrades our Shares or publishes inaccurate or unfavorable research about our business, the market price for our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our Shares to decline.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the **[REDACTED]**. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry and the **[REDACTED]**. There may be additional media coverage regarding us, our business, our industry and the **[REDACTED]** subsequent to the date of this document but prior to the completion of the **[REDACTED]**. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the **[REDACTED]** has authorized the disclosure of any such information in the press or media and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. Our Company, the Joint Sponsors, the Sponsor-**[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of our and their respective directors, supervisors, officers, representatives, employees, advisers or any other persons or parties involved in the **[REDACTED]** make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, our Company, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, the **[REDACTED]**, any of our and their respective directors, supervisors, officers, representatives, employees, advisers or any other persons or parties involved in the **[REDACTED]** disclaim responsibility for it, and you should not rely on such information.

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

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