You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [**REDACTED**] *in our H Shares. These risks could materially and adversely affect our business, financial condition and results of operations. The* [**REDACTED**] *price of our H Shares could significantly decrease due to any of these risks, and you may lose all or part of your* [**REDACTED**]. *You should seek professional advice from relevant advisers regarding your prospective* [**REDACTED**] *in the context of your particular circumstances.*

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We rely on our partnerships and cooperation with our business partners including local governments, industry regulatory authorities, aggregation platforms and OTAs for the continuous expansion of our business. Any termination or deterioration of our partnerships or cooperation with such partners may adversely affect our business.

We are a comprehensive travel services provider in China, principally engaged in ride-hailing services, passenger transportation services, and digitalization services for the foregoing and other industries. We partner with local governments and industry regulatory authorities and we rely on the stable relationship with them for the continuous expansion and development of our business. Partnership with local governments and industry regulatory authorities help us enter a market quickly and build up our credibility in the general public. However, for considerations unrelated to us, local governments and industry regulatory authorities may decide to terminate or suspend their relationships with us or appoint alternative partners, our business, revenues and results of operations may therefore be materially and adversely affected.

We also collaborate with various business partners, including OTAs and aggregation platforms that facilitate passenger traffic to our passenger transportation service customers and ourselves for our ride-hailing services business. We expect that our business in the foreseeable future will continue to depend on our ability to maintain good relationships with existing aggregation platforms and OTAs and establish relationships with new aggregation platforms and OTAs as well as the ability of these aggregation platforms and OTAs to continue supporting us with the passenger traffic we need. We cannot guarantee that we will maintain sound relationships with these business partners under favorable terms. In particular, any disruption in our collaboration with the aggregation platforms or OTAs or the deterioration of their business operations and financial condition may significantly reduce the number of orders we can receive from them, and our business, financial condition and results of operations may be materially and adversely affected.

Our ride-hailing services business depends on our collaboration with a limited number of aggregation platforms.

Our ride-hailing services business rely on our collaboration with a limited number of mainstream aggregation platforms. Throughout the Track Record Period, Gaode was our largest aggregation platform service provider. The GTV we generated through Gaode accounted for 89.5%, 93.9%, 94.7% and 95.5% of our total GTV of our ride-hailing services business in 2023, 2024 and 2025 and the four months ended April 30, 2026, respectively.

Our business will continue to depend on our ability to maintain good relationships with a relatively small number of aggregation platforms in the foreseeable future, as well as the ability of these aggregation platforms to continue to provide us the services we need. If their business operations or financial condition deteriorate, or if our business relationship with them is interrupted and terminated, our business, financial condition and results of operations may be negatively affected.

Changes in travelling pattern and preferences by the public and the growth of the intercity and intracity transportation market could materially affect our business.

The road passenger transportation industry and ride-hailing services industry heavily rely on the public's demand for intercity road passenger transportation services and intracity ride-hailing services.

The road passenger transportation industry is subject to uncertainty in terms of consumer preference and future growth. Rapidly evolving consumer preferences, including shifts towards personal vehicle use, customized transportation services, or other alternative modes of transport, may affect the demand for bus services. Technological advancements, such as the rise of ride-sharing platforms and innovative service options such as Robotaxi, pose competitive challenges that may hinder market penetration. Economic conditions, fuel prices, and urban planning policies further contribute to the unpredictability. Additionally, regulatory developments and environmental policies aimed at reducing carbon emissions could impact operational costs and market dynamics. As these factors collectively shape the road transportation landscape, we may encounter difficulties in achieving anticipated market acceptance, sustaining growth trajectories, and maintaining profitability in the road passenger transportation sector.

In terms of ride-hailing industry, the general public may not perceive ride-hailing services as a desirable mobility option if they have safety, privacy or cost concerns associated with the ride-hailing services. Additionally, the ride-hailing industry faces challenges brought by alternative mobility options. If the public chooses taxi service, shared bikes or other public transportation as the preferred mobility option, the demand for our ride-hailing services may therefore be materially and adversely impacted. Furthermore, the regulatory environment in the PRC and the ride-hailing industry has been undergoing a number of changes and reforms in various areas in recent years, including, among others, cybersecurity, information security, privacy and data security, and anti-monopoly matters. We cannot assure you that the regulators will not impose stricter requirements on, or there will not be significant changes or reforms in, the ride-hailing service industry. The prospects of the ride-hailing industry may be materially and adversely affected and, accordingly, we may experience revenue reduction. Any of the foregoing risks and challenges may materially and adversely affect our business, results of operations, financial condition and prospects.

The industries in which we operate are highly competitive. If we do not compete effectively or successfully against existing and new competitors, we may lose our market share, and our business may be materially and adversely affected.

China's road passenger transportation information services industry is intensely competitive and characterized by rapid changes in technology, shifting passenger preferences and frequent introduction of new services. We compete primarily with other information service providers and ride-hailing service providers. As China's road passenger transportation information services and ride-hailing services markets continue to evolve, we may face increased competition from new domestic service providers, including the platforms operated by other major internet companies or international players that seek to expand into China. Leveraging on the matured services offerings and huge passenger base, companies in the aviation technology and railway industries may expand their businesses into the road passenger transportation information service industry. Our digitalization and business solutions business competes with other digitalization service providers that serve the road passenger transportation industry as well as other industries. The intensification of competition has resulted in the compression of overall gross profit margin of the digitalization and business solutions industry. The combination of these factors means that potential entrants to our industries face relatively low entry barriers. Our ride-hailing business also would be affected by personal vehicle ownership and usage. There has been increasing competition as transportation companies build their own service platforms and operation systems or engage in alliances with other information service providers.

We expect competition to continue, both from current competitors and new entrants in the market that may be well-established and enjoy greater resources or other strategic advantages. Certain of our current or future competitors may have longer operating histories, greater brand recognition, larger customer and supplier bases, or stronger financial, technical or marketing resources than we do. If we are unable to anticipate or react to these competitive challenges, our competitive position could be weakened, or fail to improve, and we could experience growth stagnation or even a decline in revenue that could materially and adversely affect our business, results of operations and financial condition.

We believe our ability to compete effectively with current competitors and new entrants depends upon many factors both under and beyond our control, including: (i) our ability to scale up customer base by attracting and retaining passenger transportation stations, passenger transportation companies and individual and corporate passengers; (ii) our ability to collaborate with our drivers and car partners to provide superior ride-hailing experience; (iii) our ability to maintain and improve our safety mechanism; (iv) the popularity, price, utility, ease of use, performance and reliability of our offerings compared to those of our competitors; (v) our reputation and brand strength relative to our competitors; (vi) our ability to expand cooperation relationships or strategic partnerships with government and corporate partners; (vii) our ability, and the ability of our competitors, to develop new service offerings; (viii) our ability to maintain business integrity; (ix) changes mandated by, or that we elect to make to address, evolving legislation and requirements by regulatory authorities; (x) our ability to fully comply with relevant laws, regulations, rules, policies and guidelines, as well as address disputes, proceedings, settlements, judgments, injunctions and consent decrees; (xi) our ability to attract, retain and motivate talented employees; (xii) our ability to raise additional capital; and (xiii) acquisitions or consolidation within our industry.

Competitors may have more resources for promotion strategies and adopt more aggressive promotion strategies to acquire new customers. In addition, competitors with significantly larger active customer base may leverage their advantages to promote their brands. For example, travel service platforms can utilize the traffic they already obtained and direct the passengers from their other services offerings to their transportation services and further achieve synergies effects. We cannot assure you that we will be able to successfully compete against new or existing competitors. In the event we are not able to compete successfully, we may lose our market share and our business, results of operations, and profit margins may be materially and adversely affected.

General declines or disruptions in the transportation industry may materially and adversely affect our business and results of operations.

Our business is significantly affected by the trends that occur in the transportation industry in China. As the transportation industry is highly sensitive to business and personal discretionary spending levels, it tends to decline during general economic downturns. The recent development of the economy led to a weakening in the demand for transportation services. Other trends or events that tend to reduce travel and are likely to reduce our revenue include: (i) actual or threatened war or terrorist activities; (ii) the outbreak of pandemic and other serious health crises; (iii) increasing occurrence of travel-related accidents; (iv) political unrest, civil strife, or other geopolitical uncertainties; and (v) natural disasters or poor weather conditions, such as hurricanes, earthquakes, or tsunamis, as well as the physical effects of climate change, which may include more frequent or severe storms, flooding, rising sea levels, water shortage, droughts, and wildfires. In particular, adverse weather such as flood situation in southern China during summer seasons and heavy snowfall in northern China during winter seasons may lead to delays, congestion, roadway closures, reduced road safety, and large-scale cancellations.

We could be materially and adversely affected by such declines or disruptions in the transportation industry and, in many cases, have little or no control over the occurrence of such events. Such events could result in a decrease in demand for our services. This decrease in demand, depending on the scope and duration, could materially and adversely affect our business and financial performance over the short and long term.

The PRC government regulates the passenger transportation and other industries we operate in. If we fail to obtain or maintain all pertinent licenses, permits and approvals, if the PRC laws and regulations change, if the PRC government imposes more restrictions on these industries or if we are required to take compliance actions that are time-consuming or costly, our business may be adversely affected.

The PRC government regulates the road passenger transportation and certain other industries we operate in. We are required to obtain applicable licenses, permits or approvals from different regulatory authorities to conduct our business, including licenses for ride-hailing, value-added telecommunications and travel agency.

In particular, we are required to obtain ride-hailing business licenses in the cities where we operate our ride-hailing services. In addition, specific licenses and permits are also required for drivers and vehicles on our platform engaged in ride-hailing business. During the Track Record Period, a limited number of our vehicles and/or drivers we engaged to provide ride-hailing services did not hold the required Transportation Permit (《網絡預約出租汽車運輸證》) and/or Online Ride-hailing Driver's License (《網絡預約出租汽車駕駛員證》). During the Track Record Period, a total of 126 administrative penalties with penalty amount of RMB20,000 or more were imposed on us. The total amount of these penalties was RMB4.6 million during the Track Record Period. See "Business — Legal Proceedings and Compliance — Compliance Matters — Transportation Permits and Online Ride-hailing Driver's Licenses." for more details.

We cannot assure you that we can successfully update or renew all requisite licenses in a timely manner or that these licenses are sufficient to conduct all our present or future business. We are required to complete, obtain, or maintain any of the required licenses or approvals or make the necessary filings. In addition, we cannot assure you that our drivers and vehicles can complete, obtain or maintain all requisite licenses in a timely manner. If we fail to obtain or maintain any of the required licenses, permits or approvals in the future, we may be subject to various penalties, such as fines or suspension of operations in these regulated businesses, which could severely disrupt our business operations. As a result, our financial condition and results of operations may be adversely affected.

Any failure to comply with these regulations may also subject us to liabilities. In addition, we may have to make significant changes to our operations from time to time to comply with changing laws, regulations, and policies governing the industries we operate in general and many aspects of our business in particular, which may increase our cost of operation or limit our options of service offering, thereby adversely affecting our results of operations.

If we fail to increase our brand recognition and passenger satisfaction, the business and operating results of us and our customers may be materially and adversely affected.

The size of our passenger base and the level of passenger engagement are critical to our success. Our passenger-facing platforms include Chuxing 365 and 365 Ride. If our passengers no longer view our services as useful and desirable, we may not be able to increase or maintain our passenger base and the level of passenger engagement.

Several factors could negatively affect passenger growth, retention and engagement, including: (i) we may not be able to increase our brand recognition; (ii) we may not be able to identify and meet evolving passenger demand despite our continuous research, monitoring and analysis of passenger needs; (iii) we may not be able to develop and introduce new or updated services in a timely manner, or the new or updated services we introduce may not be favorably perceived by passengers; (iv) we may fail to update existing technology or develop new technology efficiently to stay ahead or abreast of market developments; (v) we may encounter technical or other problems that prevent our services from operating in a smooth and reliable manner; (vi) we may fail to address passenger concerns related to privacy, data security and other factors; and (vii) we may be compelled to modify our services to address requirements imposed by laws, regulations and government policies or requests from government authorities, in ways that may compromise platform user experience.

Our ability to grow or retain our passenger base and drive passenger engagement also depends on our ability to deliver a superior passenger experience. If we fail to provide quality passenger services, passenger may be less inclined to purchase travel services from us or recommend us to new passengers, and we may lose our passengers to our competitors. If we are unable to grow or maintain our passenger base or enhance passenger engagement for one or more of the reasons discussed above, our business, operating results and long-term monetization potential could be adversely impacted.

We also believe that maintaining and enhancing our brands are crucial for growing our passenger base. The successful promotion of our brands will depend largely on our ability to maintain a sizeable and active passenger base, maintain relationships with our business partners, provide high-quality passenger support, properly address passenger needs and handle passenger complaints and organize effective marketing and promotion programs. We are also subject to reputational risks arising from passenger complaints. Passengers may raise complaints against us if they are dissatisfied with the services provided to them. If we do not resolve the complaints effectively in a timely manner, our passengers may reduce their use of our platform and services, and may demand refund or even further compensation from us by all practicable means, which could harm our reputation and brand image if these complaints are brought to public sight, and materially and adversely affect our business, financial condition, and results of operations.

If we fail to cost-effectively attract and retain ride-hailing services passengers and drivers, or to increase utilization of our ride-hailing service by existing passengers, our business, results of operations and financial condition could be materially and adversely affected.

Our success in the ride-hailing services business is affected by our ability to maintain or increase the scale of our network in the geographic markets by attracting and retaining passengers and drivers using our service. If passengers choose to use ride-hailing services provided by competitors, we may not generate sufficient opportunities for drivers to earn competitive income, which may reduce the perceived utility of our service. An insufficient supply of passengers would decrease our ride-hailing orders and adversely affect our revenue and results of operations. If our service quality diminishes or our competitors' services and products achieve greater market adoption, we might lose passengers to our competitors, which may diminish our network effect. Similarly, we may experience driver supply constraints. Any reduction in the number or availability of drivers would likely lead to a reduction in usage by passengers. Any decline in the number of drivers or passengers using our ride-hailing services would reduce the value of our network and would harm our future results of operations.

The competitive nature of the ride-hailing market means that significant resources are required to maintain a robust and appealing platform. If we are unable to effectively manage costs related to attracting and retaining passengers and drivers, it could lead to increased spending on marketing, promotions, and driver incentives, thereby straining our financial resources. High costs could also necessitate raising prices for passengers or lowering payments for drivers, potentially making our services less attractive relative to competitors. Any such developments could lead to a decline in passenger engagement and satisfaction, resulting in decreased ride volume, diminished brand loyalty, and ultimately, adversely impacting our business, results of operations and financial condition.

In particular, to remain competitive in certain markets and generate network scale and liquidity for our ride-hailing services, we from time to time lower fares and offer significant driver and passenger incentives. We may engage in these practices with the purpose of obtaining a leading position in a market or protecting our market position against competitors. We may continue to offer these discounts and incentives on a large scale for an indefinite period if necessary. We cannot assure you that these practices would be effective in achieving the goals of attracting or maintaining the engagement of drivers and passengers, or that the positive impact of achieving those goals would outweigh the negative impact of these practices on our financial performance.

We are exposed to payment processing risks and risks associated with payment fraud.

We rely on third-party payment processors, such as commercial banks and major third-party payment platforms, to process payments made by our customers and passengers and payments made to our suppliers. If any of our third-party payment processors terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternative payment processor, and we may not be able to secure similar terms or replace such payment processor within an acceptable timeframe. Furthermore, the software services provided by our third-party payment processors may fail to meet our expectations, contain errors or vulnerabilities, encounter disruption or compromise, or experience outages. Our third-party payment processors may also be penalized or suspended if they fail to comply with laws and regulations relating to personal information protection. Any of these risks could cause us to lose our ability to accept online payments or other payment transactions or make timely payments to our suppliers.

As our orders are processed through debit cards, credit cards and third-party payment channels, we may also suffer losses if the orders are placed with fraudulent credit cards or other fraudulent payment data. Although we employ technologies to detect fraudulent transactions, these technologies may not always be effective, due to either technical glitches or human error. Any failure to detect or control payment fraud could negatively impact our reputation and cause us to lose sales and revenue.

We may in the future offer new payment options to our customers and passengers that may be subject to additional regulations and risks. We are also subject to a number of other laws and regulations relating to the payments we accept from our customers and passengers, including with respect to money laundering, money transfers, privacy and information security. If we fail to comply with applicable rules and regulations, we may be subject to civil or criminal penalties, fines or higher transaction fees and may lose our ability to accept online payments or other payment card transactions, which could make our services less convenient and attractive to our customers and passengers. If any of these events were to occur, our business, results of operations and financial condition could be adversely affected.

We may be considered as conducting payment services as a non-financial institution without a Payment Business License.

We might be deemed to be a non-financial institution providing payment services without the relevant payment permit during the Track Record Period. Under our passenger transportation services business, we settle ticket prices with passengers or OTAs on behalf of passenger transportation stations and passenger transportation companies, we then settle with the passenger transportation stations and the passenger transportation companies according to our contractual terms with them. Please see "Business — Passenger Transportation Services — Internet Ticketing Services — Pricing and revenue model" and "Business — Passenger Transportation Services — Customized Transportation Services — Pricing and revenue model".

Payment services in China are subject to the supervision of the People's Bank of China (the "**PBOC**"). Please see "Regulatory Overview — Regulations Relating to the Payment Services and User Funds." According to the Regulation on Supervision and Administration of Non-bank Payment Institutions (《非銀行支付機構監督管理條例》) which was promulgated by the State Council on December 9, 2023, effective on May 1, 2024, the establishment of a non-bank payment institution shall be subject to the approval of the PBOC, and a payment business license (the "Payment Business License") shall be obtained. Non-bank payment institutions that are illegally established without the approval of the PBOC, or those engaging in payment business directly or in a disguised form, shall be banned by the PBOC.

As the relevant government authorities have discretion in determining what practice or process constitutes payment or settlement services without a Payment Business License, we cannot assure you that our past settlement practice would not give rise to the risk that we may be deemed as engaging in payment and settlement services without a license. During the Track Record Period and up to the Latest Practicable Date, insofar as we were aware, we had not received penalty in connection with any purported operations of payment and settlement services without a Payment Business License or otherwise in violation of the relevant rules and regulations.

In order to rectify the abovementioned issue, we have entered into cooperation agreements with licensed commercial banks to deposit and settle payments with contracting parties. As of the Latest Practicable Date, (i) we had not been subject to any penalty in connection with any purported operations of payment and settlement services without a Payment Business License; and (ii) we entered into cooperation agreement with licensed commercial banks to rectify this issue and (iii) relevant amount only involved transactions under our passenger transportation services business, the revenue of which accounting for less than 5.0% of our total revenue during the Track Record Period. As advised by our PRC Legal Advisor, considering the facts above, such deficiency does not constitute material legal impediments to our operations. See "Business — Legal Proceedings and Compliance — Conducting Payment Services as a Non-financial Institution Without a Payment Business License".

However, we cannot assure you that our cooperation with the commercial banks would suffice for all our present or future businesses. In addition, the settlement services provided by the licensed commercial banks are subject to various rules and regulations, which may be amended or reinterpreted to encompass additional requirements. In response to such changes, we may have to adjust our cooperation with the licensed commercial banks and may therefore incur higher transaction and compliance costs. Furthermore, if the PBOC or other governmental authorities deem the payment methods we historically offered not in compliance with applicable laws and regulations, we may be subject to regulatory actions, investigations, fines, and penalties. Any of the circumstances would have a material adverse effect on our business, results of operations and financial condition.

We are subject to risks relating to third-party payment arrangements such as claims from third parties for return of funds and money laundering risks.

During the Track Record Period, certain customers settled transactions with us through the accounts of third parties designated by them in 2023 and 2024, respectively. Please see "Business — Our Customers — Third-party Payment Arrangement" for more details. By the end of 2024, we had ceased the third-party payment arrangements.

We are subject to various risks relating to such Third-party Settlement Arrangements during the Track Record Period, such as (i) possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors; and (ii) potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilized by the third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us to demand return of the relevant payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payment for the products that we sold. Our financial condition and results of operations may as a result be materially and adversely affected.

Safety incidents associated with our or our competitors' services may adversely affect our business, results of operations and financial condition.

Safety incidents associated with our or our competitors' services or otherwise may attract public attention, harm our reputation, invite government scrutiny or administrative penalty, and lead to demands for restrictions to be placed on our business. If our safety mechanism fails to ensure passenger safety, or if we fail to address the safety concerns related to our services, results of operations and financial conditions could be materially and adversely affected.

We rely heavily on our ability to maintain a high level of safety of our services, as well as the public perception of the level of safety on our ride-hailing services to attract and retain passengers and drivers. We have an extensive array of safety protocols to cover risks before, during and after each ride. Please see "Business — Ride-hailing Services — Compliance and safety measures". However, our safety measures may fail, or the databases on which we rely to identify past problematic behavior may be incorrect or incomplete, or safety incidents may be caused by drivers or passengers with no history of problematic behavior. Furthermore, our car partners may fail to provide adequate safety training for drivers. Drivers may demonstrate weak safety awareness and engage in violation behaviors including speeding, fatigue driving or using mobile phones while driving. Deaths or injuries, whether resulting from accidents, crimes, or incidents beyond our control, may disproportionately affect public perception of ride-hailing services compared to their statistical likelihood relative to other means of transportation. Such safety incidents may lead to negative publicity and associate our services with increased risks. In July 2024, one of the drivers managed by our car partners in Chongqing was involved in a traffic accident due to speeding, resulting in fatalities. In response to this incident, in January 2025, Chongqing Administration of Emergency Management ("Emergency Authority") issued us an administrative penalty. The penalty was imposed on our Chongqing branch, as the holder of our Online Ride-Hailing Operating Permit in Chongqing, which the Emergency Authority believed had failed to fulfil its responsibility for safety production. The Emergency Authority imposed a fine of RMB1.3 million on our Chongqing branch. On July 2, 2024, our Chongqing branch had terminated such driver's operation on our platform. It had paid the fine and implemented rectification measures. According to the interview with Emergency Authority and as confirmed by our PRC counsel, this penalty does not constitute a material administrative penalty.

In our passenger transportation services business, the actual carriers to passengers are the transportation service providers and they bear safety responsibilities to the passengers. Transportation service providers may fail to implement adequate and effective safety measures during the provision of transportation services in accordance with the relevant regulations. In such cases, as the platform service provider, we may become associated with negative publicity.

Furthermore, public perception and regulatory scrutiny of the safety of ride-hailing services and passenger transportation services in general may be influenced by safety incidents that occur on other platforms unrelated to ours, which may divert our management's time and attention from business operations and adversely impact our reputation.

In the event that we are not able to prevent or mitigate safety incidents, our business, results of operations and financial condition may be materially and adversely affected.

Our business would be adversely affected if drivers for our ride-hailing business were classified as employees, workers, or quasi-employees.

Consistent with the practice of other companies in the ride-hailing services industry in China, during the Track Record Period, our ride-hailing drivers were not our employees, and our terms of use with drivers reflect such understanding. The status of drivers has not been challenged by government authorities. However, we cannot assure you that the independent contractor status of our drivers will not be challenged by legislators, government authorities, or private parties in the future. We may be required under new regulations to treat drivers on our platform as employees, sign full-time employment contract with them, or afford them protections in our service agreement that are similar to protections for full-time employees. We may become involved in legal proceedings, including lawsuits, demands for arbitration, charges, and claims before administrative agencies, and investigations or audits by labor, social security, tax, or other authorities that seek to claim that drivers should be treated as our employees rather than independent contractors. We may not be successful in defending the classification of drivers. In addition, the costs associated with defending, settling, or resolving pending and future lawsuits (including demands for arbitration) or government investigations relating to the classification of drivers could be material to our business and, regardless of outcome, could adversely affect our reputation. Furthermore, even if we prevail under current law, the law may be changed in the future in ways that are unfavorable to us.

If we were required under laws, regulations, or judicial or government decisions to hire the drivers as employees, we would be required to fundamentally change our business model, with repercussions that are difficult to anticipate. Currently we do not require drivers to engage in our ride-hailing business exclusively and many drivers may simultaneously use our competing platforms. The number of hours spent by each driver on our ride-hailing service also varies by individuals. If we were required to treat drivers as our employees, we might choose to reduce the number of drivers on our network and retain the drivers who earn income primarily from our network. We would become subject to additional regulatory requirements, such as those relating to tax and minimum wage and overtime, those relating to employee benefits, social security, workers' compensation, and unemployment, and those relating to anti-discrimination, anti-harassment, and anti-retaliation, among others. Compliance with such laws and regulations would require us to incur significant additional expenses. The reclassification of drivers also could increase the rate of employment-related claims being brought against us in the future, subject us to vicarious liability for any misconduct of drivers or reduce our attractiveness to drivers given the loss of flexibility under an employee model. The foregoing could materially and adversely affect our business and financial condition, significantly increase our operating costs, or even make our current business model no longer sustainable.

Our business could suffer if we do not successfully manage current growth and potential future growth, or if we are unable to execute our strategies effectively.

We have experienced significant growth in the past few years. Leveraging the extensive passenger base and enterprise partners and governmental resources established through our internet ticketing services business, we expanded our offerings to customized transportation services and ride-hailing services in 2017 and 2018, respectively. We plan to further grow our business, by among other things, investing in promoting our brand awareness, expanding our product and services offerings and enhancing operation capabilities, strengthening research and development capabilities, and seeking acquisition, investment, and strategic alliances. Please see "Business — Our Strategies". Our future operating results will be highly dependent on our ability to manage our expansion and growth successfully.

Risks that we face in undertaking our business growth include, among others: (i) managing a larger organization with a greater number of employees in different divisions; (ii) controlling expenses and investments in anticipation of expanded operations; (iii) establishing or expanding horizontally or vertically into upstream suppliers; (iv) implementing and enhancing administrative infrastructure, systems and processes; and (v) executing our strategies and business successfully.

Any failure to manage our business growth and expansion effectively could materially and adversely affect our business, prospects, results of operations and financial condition.

Our engagements with our customers under the digitalization and business solutions business may be non-recurring in nature and there is no guarantee that we will be able to secure new projects

During the Track Record Period, we provided digitalization and business solutions to our customers on a project base and our engagements with our customers are non-recurring in nature. Therefore, our customers are under no obligation to continue to award contracts to us and there is no guarantee that we will be able to secure new contracts in the future. Accordingly, the number and scale of contracts and the amount of revenue that we are able to derive therefrom are affected by a series of factors including changes in our customers' businesses, changes in market conditions and changes in government policies.

Consequently, our revenue may vary significantly from period to period, and it may be difficult to forecast the volume of our future business. In 2023, 2024 and 2025 and the four months ended April 30, 2026, the tender success rate for digitalization and business solutions business was 90.9%, 93.3%, 100.0% and 100.0%, respectively. Our tender success rate is affected by a range of factors including our pricing and tender strategy, competitors' tender and pricing strategy, level of competition and our customers' evaluation standards. There is no guarantee that we will be able to achieve a tender success rate similar to those during the Track Record Period in the future.

Depending on the market condition and competitive landscape, we may have to lower our pricing or adjust our tender strategy in order to maintain the competitiveness of our tenders. In the event that our Group fails to secure new projects from our customers of contract values, size and/or margins comparable to existing ones, our business and financial performance and results of operations will be materially and adversely affected.

We have engaged and may continue to engage in acquisition and investment activities, which could require significant management attention, disrupt our business, dilute shareholder value, and adversely affect our operating results.

Through a series of acquisitions, we acquired approximately 39.83% equity interest in Anhui Wanmei, a passenger transportation company specializing in provision of internet ticketing services, customized transportation services and digitalization and business solutions in the Anhui province market. Please see "History, Development and Corporate Structure — Major Acquisitions, Disposals and Mergers" for more information. We may continue to acquire or make investments in other companies, products, or technologies to enhance our services and offerings. We may not be able to find suitable acquisition or investment candidates and we may not be able to complete acquisitions and investments on favorable terms. Even if we complete acquisitions and investments as we expect, we may not ultimately strengthen our competitiveness or achieve our goals; and any acquisition and investment we complete could be viewed negatively by customers or investors. In addition, if we fail to successfully integrate such acquisitions, or the technologies associated with such acquisitions, into our Company, the revenue and operating results of the combined company could be adversely affected.

Acquisitions and investments may disrupt our ongoing operations, divert management attention from their primary responsibilities, subject us to additional liabilities, increase our expenses, and adversely impact our business, financial condition, operating results, and cash flow. We may not accurately forecast the financial impact of an acquisition or investment transaction, including accounting charges. We would have to pay cash, incur debt, or issue equity securities to pay for any such acquisition and investment, each of which may affect our financial condition or the value of our capital stock and could result in dilution to our shareholders.

Additionally, we may receive indications of interest from other parties interested in acquiring some or all of our business. The time required to evaluate such indications of interest could require significant attention from management, disrupt the ordinary functioning of our business, and adversely affect our operating results.

Our Shareholders and Controlling Shareholder Group may have potential conflict of interest with us and the Controlling Shareholder Group has substantial influence over our operations, which may adversely affect our business.

Certain of our directors are nominated by the Shareholders. Conflict of interest between such directors' duties to our Company and the relevant Substantial Shareholders' interests in our Company may arise. We cannot assure you that when conflict of interest arises, such directors will act for the best interests of our Company. In addition, these persons could violate their non-competition obligations under service contracts with us or their legal duties by diverting business opportunities from us to others, resulting in our loss of corporate opportunities. Should any such event occur, our business, financial condition and results of operations may be negatively affected.

Furthermore, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Jiang will be interested in and will control, directly and indirectly, through Voting Rights Entrustment Entities, an aggregate of approximately [**REDACTED**]% of the voting power of our Company. Therefore, Mr. Jiang and the Voting Rights Entrustment Entities will remain as the Controlling Shareholder Group of our Company upon completion of the [**REDACTED**]. See "Relationship with our Controlling Shareholder Group." The interests of our Controlling Shareholder Group may differ from the interests of our other shareholders. Our Controlling Shareholder Group will have significant influence on the outcome of any corporate transaction or other matters submitted to our shareholders for approval, including mergers, consolidations, sales of all or substantially all our assets, election of Directors, and other significant corporate actions. This concentration of ownership may discourage, delay, or prevent changes in control of our Company that would otherwise benefit our other shareholders. To the extent that the interests of our Controlling Shareholder Group conflict with those of our other shareholders, our other shareholders may be deprived of opportunities to advance or protect their interests.

Negative publicity related to us or the industries we operate in could impair our reputation, which in turn could materially and adversely affect our business, results of operations, and price of our H Shares.

The reputation of our brands is critical to our business and competitiveness. From time to time, negative publicity, whether justified or not, about us or the industries we operate in, could relate to various aspects of our business. This includes our services, platforms, customer experiences, employee relations and welfare, legal compliance, financial condition, or prospects. For example, for the ride-hailing services industry, according to Frost & Sullivan, negative publicity surrounding issues such as ride-hailing capacity saturation, inadequate vetting of driver qualifications by ride-hailing platforms, resale of orders and opaque driver's commission structure would post challenges. Negative publicity could damage our reputation and negatively impact our business performance and operational results. Prospective passengers and customers may be reluctant to engage in transactions with us if there is any negative publicity in connection with the use of our services, the operation of our business and other aspects about us. In addition, the negative publicity of any of our brands may extend far beyond the brand involved, especially due to our comprehensive presences in the transportation industry in general, to affect some or all our other brands. Furthermore, negative publicity about other market players or isolated incidents, regardless of whether it is factually correct or whether we have engaged in any inappropriate activities, may result in negative perception of our industries as a whole and undermine the credibility we have established. Negative developments in the market may lead to tightened regulatory scrutiny and limit the scope of our permissible business activities. We could lose significant number of passengers and customers due to negative publicity with respect to us or the industries in general.

If any of the foregoing were to occur, our business, financial condition, results of operations, and price of our H Shares could be materially and adversely affected. We may incur additional costs to recover from the impact caused by the negative publicity, which may divert management's attention and other resources from our business and operations.

Our business and results of operations are subject to seasonal fluctuations.

Our business has shown seasonal patterns in the past, and we anticipate this trend will continue in the future. For our passenger transportation services, we typically record higher revenue during holidays and festive seasons when the public have higher demand for intercity travel. Our digitalization and business solutions business is also affected by seasonal fluctuations, as revenue from this business is generally recognized on a project-by-project basis, and such projects tend to be accepted and settled by the end of each year, so we typically record relatively higher revenue from this business in the fourth quarter and relatively lower revenue during the remainder of the year. The seasonality trends of our ride-hailing services business are difficult to discern in our historical results because this business experienced substantial and rapid growth during the Track Record Period. Please see "Financial Information — Major Factors Affecting Our Results of Operations and Financial Condition — Seasonality."

Changes in the carrying amounts of redemption rights issued to investors may affect our financial condition and results of operations.

The redemption rights issued to investors were primarily a result of the private placements prior to the Track Record Period. Please see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments". The redemption rights of the investors were recorded as our redemption liability to repurchase our own equity instruments. Therefore, the redemption rights issued to investors are initially recognized as financial liabilities measured at the present value of the redemption amount and subsequently measured at amortized cost. Any changes in the carrying amounts of the financial liabilities resulting from the revision of estimated contractual cash flows were recognized in profit or loss as changes in the carrying amounts of redemption rights issued to investors. We recorded losses of RMB464.1 million, RMB367.0 million, RMB78.0 million, RMB5.8 million and RMB17.8 million in 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026, respectively, from the changes in the carrying amounts of redemption rights issued to investors. The redemption rights and the associated financial liabilities will automatically expire upon the completion of the [**REDACTED**]. Please see Note 28 to Accountants' Report in Appendix I to this document.

Any significant fluctuations in the changes in the carrying amounts of redemption rights issued to investors due to changes in the amortized cost may materially affect our financial condition and results of operations.

We sustained net losses, net current liabilities, net liabilities, and negative operating cashflows during the Track Record Period.

We incurred losses during the Track Record Period. In 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026, we had loss for the year of RMB482.3 million, RMB426.1 million, RMB127.5 million, RMB18.2 million and RMB21.3 million respectively. Please see "Financial Information — Description of Principal Consolidated Statements of Profit or Loss and Other Comprehensive Income Items" for more information.

We cannot assure you that we will be able to generate profits in the future. Our ability to achieve future profitability depends largely on our ability to manage our costs and expenses. We intend to control our costs and expenses but cannot assure you that we will achieve this goal. We may experience net losses in the future as we further substantiate our long-term strategies, which may negatively influence our short-term financial performance. In addition, our ability to achieve and sustain future profitability is affected by various factors, some of which are beyond our control, such as regulatory developments or competitive dynamics in the industries we operate in. In addition, we expect our costs and other operating expenses to increase as we expand our business. Any failure to increase our revenue sufficiently to keep pace with our investments and other expenses could prevent us from achieving or maintaining profitability or positive cash flow on a consistent basis.

We recorded net current liabilities of RMB2,013.1 million, RMB2,442.4 million, RMB2,547.5 million and RMB2,570.9 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively, primarily attributable to redemption rights issued to investors. Please see "Financial Information — Net Current Liabilities" for more information. The redemption rights and the associated redemption liabilities will automatically expire upon the completion of the [**REDACTED**]. We recorded net liabilities of RMB1,945.9 million, RMB2,369.4 million, RMB2,499.6 million and RMB2,523.4 million as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively, primarily due to the changes of loss and total comprehensive income of each year during the Track Record Period. We had net cash used in operating activities of RMB24.2 million and RMB21.7 million for the years ended December 31, 2024 and 2025, respectively.

We may experience net current liabilities, net liabilities, and negative operating cash flows in the future, which may expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financing from the Offering and issuing our H Shares, or other sources such as external debt, which may not be available on terms favorable or commercially reasonable to us or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operation, and prospects.

We may incur impairment losses on trade receivables, other receivables and contract assets or impairment losses on goodwill, which could materially and adversely affect our financial condition and results of operations.

During the Track Record Period, we recorded impairment losses on trade receivables, other receivables and contract assets of RMB4.8 million and RMB2.5 million in 2023 and 2024, respectively, a reversal of impairment loss of RMB5.8 million in 2025, a reversal of impairment loss of RMB0.6 million in the four months ended April 30, 2025, and impairment loss of RMB0.9 million in the four months ended April 30, 2026. We cannot assure you that our customers and other debtors will settle the amounts due to us on time or in full, or that we will be able to bill and recover our contract assets according to the relevant payment terms. If the financial condition of our customers or other debtors deteriorates, or if there are delays in billing, settlement or collection, we may be required to record additional impairment losses. Any significant delay or failure in recovering such receivables and contract assets may adversely affect our cash flows, liquidity, financial condition and results of operations.

We conduct annual impairment tests on goodwill. Goodwill arising from our acquisitions of Hengsheng Changyun and Shanxi Changjie, and represents the future economic benefits from synergies expected from those acquisitions. In 2025, we recognized an impairment loss of RMB23.2 million on the goodwill attributable to Hengsheng Changyun. As a result, any adverse change in the key assumptions underlying our impairment assessment of Hengsheng Changyun, including a decline in projected cash flows or an increase in the discount rate, would result in further impairment. Should future expected cash flows decline, or if there are adverse changes in market or economic conditions, we may be required to record additional impairment losses. Any such impairment could adversely affect our results of operations, reduce our net asset value and result in lower shareholder returns.

We have granted and may continue to grant shares or options and other types of awards under employee incentive platforms, which may result in increased share-based payments expenses and our accounting treatment for share-based payments could continue to significantly reduce our profit.

We believe that the granting of share-based payments is significant to enhance our ability to attract and retain key personnel. We have in the past awarded key members of the senior management and employees through the establishment of employee incentive platforms. As of the Latest Practicable Date, there were no outstanding awards to be granted to under such employee incentive platforms. Please see — "History, Development and Corporate Structure — Employee Incentive Platforms." for details. We are required to recognize share-based payment expenses based on the fair value of such granted awards, taking into consideration the impact of market performance conditions and non-vesting conditions. We recognized equity-settled share-based payments in staff costs of RMB0.5 million, RMB4.6 million, RMB1.1 million, RMB0.4 million and RMB0.3 million in 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026, respectively. Any additional grant of share-based awards by us will further increase our share-based payments, which may adversely affect our results of operations and financial condition, and potentially dilute existing shareholders' ownership.

We are exposed to risks related to customer defaults, payment deferrals or withheld payments.

Our business operations are subject to the risk of payment deferrals and/or defaults by our customers. As of December 31, 2023, 2024 and 2025 and April 30, 2026, our trade and bills receivables balance was RMB67.0 million, RMB55.4 million, RMB60.8 million and RMB57.2 million. Our trade and bills receivables turnover days in 2023, 2024 and 2025 and the four months ended April 30, 2025 and 2026 were 18.0 days, 14.0 days, 11.6 days and 12.7 days, respectively. Due to the nature of our different business segments, the trade and bills receivables turnover days of each segment varied significantly. The trade and bills receivables of our digitalization and business solutions business accounted for 82.7%, 92.4%, 95.6% and 92.8% of our total trade and bills receivables as of December 31, 2023, 2024 and 2025 and April 30, 2026, respectively. The trade and bills receivables turnover days of our digitalization and business solutions business were 152.7 days, 183.8 days, 187.3 days and 287.7 days, respectively, for the same years/period. Please see "Financial Information — Description of Selected Statement of Financial Position Items — Trade and Bills Receivables" for details.

We are exposed to the risk that our customers may delay or withhold their payment for any reason, which may put our cash flow and working capital under pressure. We cannot assure you that we will be able to fully recover the outstanding amounts due from our customers in a timely manner pursuant to the agreed-upon payment schedules. If we fail to collect such outstanding amounts from customers in full amounts or in a timely manner, or at all, our liquidity position could be worsened, and our business, results of operations and financial condition could be materially and adversely affected.

In addition, we face risks associated with the inability to recollect advances made to passenger transportation stations. Please see "Business — Passenger Transportation Services — Internet Ticketing Services — Pricing and Revenue Model". Our ability to recollect such advances is subject to certain factors beyond our control, including the financial stability and creditworthiness of the passenger transportation stations and the prevailing economic conditions. The failure to recollect advanced payments could adversely affect our results of operations and financial condition.

Failure to obtain government grants or preferential tax treatments that may be available to us or the discontinuation, reduction, or delay of any of the government grant or preferential tax treatments currently enjoyed by us in the future could materially and adversely affect our business, results of operations and financial condition.

During the Track Record Period, our Company and certain of our subsidiaries were qualified as High and New Technology Enterprises ("**HNTE**") (高新技術企業) and entitled to a preferential income tax rate of 15.0% during the Track Record Period. In addition, we received government grants including rewards based on the contribution of our ride-hailing services to the local economy.

However, these government grants may not be recurring or sustainable, which could adversely affect our business, results of operations and financial condition. Moreover, evolving tax regulations and the introduction of new policies may require the retroactive collection of historical taxes. In addition, we may not be able to successfully or timely obtain the government grants or preferential tax treatments that may be available to us in the future, which could affect our business, results of operations and financial condition.

If we are unable to develop or manage new or upgraded services or technologies that are well-received by the market, our business, results of operations, financial condition and prospects may be adversely affected.

To continue to attract and retain passengers and customers, we have invested and will need to continue to invest in the R&D of advanced technologies such as big data analytics, AI solutions and cloud technology.

The success of our services, products and technologies depends on several factors, including the timely completion, introduction, government regulation and market acceptance of such services and technologies. Moreover, any advanced technologies may not work as intended or may not provide the intended value to passengers and customers.

It is also possible that service offerings developed by others will render our service offerings not competitive. Furthermore, our R&D efforts with respect to advanced technologies could distract management from current operations and will divert capital and other resources from our more established service offerings and technologies. If we do not realize the expected benefits of our investments, our business, results of operations, financial condition and prospects may be harmed.

If we are unable to continue to develop or manage advanced technologies, or if passengers or customers do not value them or perceive their benefit, they may subsequently choose not to use our services and offerings, which may adversely affect our business, results of operations, financial condition, and prospects.

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

Our success, in part, depends on the continuing services of our management and other key personnel. We rely on the expertise, experience, and vision of our senior management team. We also rely on the technical know-how and skills of other key personnel. If any of our senior management or key personnel becomes unable or unwilling to continue to contribute their services to us, we may not be able to replace them easily or at all. As a result, our business may be severely disrupted, our results of operations and financial condition may be materially and adversely affected, and we may incur additional expenses to recruit, train and retain key personnel.

Our existing operations and future growth require a competent workforce. However, the industries we operate are characterized by high demand and intense competition for talent. To attract and retain talent, we may need to offer higher compensation, better training and more attractive career tracks and other benefits to our employees, which may be costly and burdensome. We cannot assure you that we will be able to attract or retain qualified personnel necessary to support our future growth. We may fail to manage our relationship with our employees, and any disputes between us and our employees, or any labor-related regulatory or legal proceedings may divert managerial and financial resources, adversely impact staff morale, reduce our productivity, or harm our reputation and future recruiting efforts. In addition, as our business has grown rapidly, our ability to train and integrate new employees into our operations may not meet the increasing demands of our business. Any of the above issues related to our workforce may materially and adversely affect our business, results of operations, financial condition, and prospects.

Illegal, improper, or otherwise inappropriate activities by our employees, passengers, customers, drivers and other third parties could harm our business and reputation.

The industries which we operate in require integrity and the confidence of our passengers and our customers. Illegal, improper or otherwise inappropriate activities by our employees, passengers, customers, drivers and other third parties, including the activities of individuals who may have previously engaged with us, or individuals who intentionally impersonate passengers of our platforms, may adversely affect our customers' and passengers' confidence, brand, business, results of operations and financial condition. Such inappropriate activities may include assault, abuse, theft, other misconducts, and errors.

While we have implemented various measures intended to anticipate, identify, and address the risk of these types of activities, it is not always possible to identify, address and prevent all illegal, improper or otherwise inappropriate activities by these parties. The precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses. At the same time, if the measures we have taken to guard against these illegal, improper, or otherwise inappropriate activities are too restrictive, they may inadvertently prevent or discourage drivers or passengers from remaining engaged on our platforms.

If any of our employees, passengers, customers, drivers and other third parties engage in illegal or suspicious activities or other misconduct, we could suffer economic losses and may be subject to regulatory sanctions and significant legal liability, and our financial condition or ability to attract new passengers, customers and drivers may be adversely affected as a result. If any sanction was imposed against an employee during his or her employment with us or a driver during his or her service provision, even for matters unrelated to us, we may be subject to negative publicity which could adversely affect our brand, public image, and reputation, as well as investigations or claims against us. We could also be perceived to have facilitated or participated in the illegal activities or misconduct, and therefore be subject to civil or criminal liability.

If there is any deterioration in the quality of the services sourced from our business partners or other third parties, the passengers may claim compensation for damages from us and no continue to use our services.

Our ability to ensure satisfactory passenger experience substantially depends on our business partners, including passenger transportation companies, ride-hailing drivers and other suppliers, to provide high-quality services and offerings. Our reputation and brand will be negatively affected if our business partners fail to provide quality services.

We have taken several actions to ensure the quality of services provided by our business partners, including (i) specifying the responsibilities of business partners in the agreements with us and (ii) providing our business partners with regular trainings on service quality. These actions may not be sufficient in discovering quality issues in an efficiently manner. If our passengers are dissatisfied with the travel services provided, they may reduce their use of, or completely forgo, our online platforms, and may even demand refunds of their payments to us or claim compensation from us for the damages they suffered from our transportation service providers' performance or misconduct, which could harm our reputation and materially and adversely affect our business, financial condition and results of operations.

Moreover, our success depends in part on our relationships with other third-party service providers. We select third-party service providers based on a range of criteria, including their demonstrated competence, market reputation and our prior relationship with them. We rely on third-party cloud service providers for storage of our passenger data. If any of our third-party service providers terminates its relationship with us or refuses to renew its agreement with us on commercially reasonable terms, we would need to find an alternative provider, and may not be able to secure similar terms or replace such provider in an acceptable timeframe. We also rely on other software and services supplied by third parties, such as communications and internal software, and our business may be adversely affected to the extent such software and services do not meet our expectations, contain errors or vulnerabilities, encounter disruption or compromise experience outages. Any of these risks could increase our costs and adversely affect our business, results of operations and financial condition. Further, any negative publicity related to any of third-party partners and third-party service providers could adversely affect our reputation and brand and could potentially lead to increased regulatory or litigation exposure. In addition, our third-party service providers may be subject to regulatory actions from time to time. Any of the foregoing could adversely affect their relationships with us and undermine their abilities to deliver satisfactory services to us, which, in turn, could adversely affect our business, results of operations and financial condition.

We depend on the interoperability of our platform across third-party applications and platforms that we do not control.

One of the most important features of our platform is its broad interoperability with a range of devices, operating systems, and third-party applications. Our platform is accessible from the web and from devices running various operating systems such as iOS and Android, and we have integrations with a variety of payment, travel, data management and security vendors. We depend on the accessibility of our platform across these third-party operating systems and applications that we do not control. As our services expand and evolve, we may have an increasing number of integrations with other third-party applications, products and services. Third-party services and products are constantly evolving, and we may not be able to maintain or modify our platform to ensure its compatibility with third-party offerings following development changes. In addition, some of our competitors or technology partners may take actions that disrupt the interoperability of our platform with their own products or services, or exert strong business influence on our ability to, and the terms on which we, operate and distribute our platform. Should any of our competitors or technology partners modify their products, standards, or terms of use in a manner that degrades the functionality or performance of our platform or is otherwise unsatisfactory to us, or gives preferential treatment to competitive products or services, the loss of interoperability could materially and adversely affect our business, results of operations and financial condition.

Our business involves collection, storage, processing, and transmission of a large amount of data and may be subject to complex and evolving regulations and oversight related to cybersecurity, information security, privacy, and data security. To fully comply with the relevant laws and regulations may incur significant costs and divert our management team's attention.

Our business involves the collection, storage, processing, and transmission of our data related to our drivers and passengers, including but not limited to identification information, transaction information and other sensitive personal information. We are subject to a variety of laws and regulations regarding cybersecurity, information security, privacy, and data security, including restrictions on the collection, storage and use of personal information and requirements to take steps to prevent personal information from being divulged, stolen, or tampered with.

For example, pursuant to the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**CAC Measures**") published on December 28, 2021 and came into effect on February 15, 2022, the competent authorities may initiate the cybersecurity review against us if the authorities believe that our data processing activities affect or may affect national security. Besides, considering that a critical information infrastructure operator ("**CIIO**") is subject to the heightened obligation of cybersecurity protection, if we are identified as a CIIO in the future, it is likely to incur more network and data security costs to comply with the relevant regulatory requirements. However, the CAC Measures does not specify what constitutes "affects or may affect national security." Given that the interpretation of activities that "affect or may affect national security" under the current PRC laws and regulations requires further clarification from the competent authorities, and the scope of data processing activities that affect or may affect national security are subject to further clarification and interpretation by the competent authorities, we cannot guarantee whether we will be subject to the cybersecurity review or if new rules or regulations promulgated in the future will impose additional compliance requirements on us.

On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-border Flow of Data*, or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the *Measures for Security Assessment of Data Cross-border Transfer*, the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions and other applicable laws and regulations set out the regulatory procedures applicable to cross-border transfers of personal information and important data that meet specified thresholds or conditions, which include passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification. Our daily business operations have not involved any transfer of important data or personal information to any overseas recipients during the Track Record Period and up to the Latest Practicable Date. If we engage in cross-border transfer of important data and personal information from the PRC to territories outside of the PRC in future business activities and any of the abovementioned criteria is met, we should fulfill the corresponding obligations of security assessment or other obligations as required under the New Cross-border Data Flow Provisions and other applicable laws and regulations pertaining to the cross-border transfer of data and personal information.

As we provide services through our apps, the level of personal information protection and related compliance regulation measures for the apps could pose a significant impact. If we fail to, through technical and administrative measures, timely address or respond to the compliance issues identified by the regulator, we may face public criticism for infringement of personal information rights and interests. In serious circumstances, we may also be subject to administrative penalties such as forced removal of apps from app stores, service suspension or fines.

Our security systems and measures may not detect and prevent all leakages. Our information technology and infrastructure may be vulnerable to cyberattacks or security breaches, and third parties may circumvent our security measures, misappropriate proprietary information, and cause interruptions in our information technology systems. Unauthorized third parties may also attempt to fraudulently induce our employees, partners, drivers, passengers or others into disclosing usernames, passwords, payment card information or other sensitive information, or use increasingly sophisticated methods to engage in illegal activities involving personal information. In addition, drivers and passengers on our platforms could have vulnerabilities on their own mobile devices that are entirely unrelated to our systems and platforms but could mistakenly attribute their own vulnerabilities to us or adversely affect our systems and platforms.

Any actual or perceived security breach could interrupt our operations, temporarily or permanently disable our platforms, result in fraudulent transfer of funds, damage our relationships with passengers and other business partners, and subject us to legal liabilities, regulatory sanctions, financial exposure and reputational damage, any of which may materially and adversely affect our business, results of operations and financial condition. Any breach of privacy or security impacting any entities with which we share or disclose data could have similar effects. Moreover, any cyber-attacks or security and privacy breaches directed at our competitors could reduce confidence in the service industry where we operate in general and, as a result, reduce confidence in our platform.

With the promulgation of new laws, regulations and standards concerning data security and personal information protection, we may incur more expenditure on the upgrading and improvement of our data security mechanisms to comply with stricter requirements. We are required to comply with these laws, regulations, and standards, otherwise we may be subject to fines or other penalties, which could materially and adversely affect our business, results of operations and financial condition.

We may not be able to prevent others from using our intellectual property, which may harm our business and expose us to litigation.

We regard our patents, copyrights, domain names, and other intellectual properties as critical to our success. We rely on a combination of patent, copyright, trademark laws, restrictions on disclosure and other agreements that restrict the use of our intellectual properties, as well as regular trainings for our employees to protect these rights. Please see "Business — Intellectual Property."

Our business partners may not always comply with our contract terms prohibiting the unauthorized use of our brands, images, characters, and other intellectual property rights. The agreements may not effectively prevent unauthorized use our intellectual properties. In addition, third parties may independently discover trade secrets and proprietary information, limiting our ability to assert any trade secret rights against such parties.

Our competitors and other third parties may register trademarks or apply for patents or copyrights that are similar to ours and may divert potential passengers and customers from us to them. Preventing such unfair competition activities is inherently difficult. If we are unable to prevent such activities, competitors and other third parties may drive potential passengers and travellers away from our platforms, which could harm our reputation and materially and adversely affect our results of operations.

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

We may be subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, results of operations and financial conditions.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, copyrights, patents, know-how, trade secrets or other intellectual property rights held by third parties without our awareness. We have not been subject to material proceedings and claims pending or threatened against us relating to the intellectual property rights of others, yet we may from time to time be subject to such proceedings and claims in the future. Furthermore, the application and interpretation laws relating to patents and other intellectual property rights, and the procedures and standards for granting such patents or other intellectual property rights in the geographic markets we operate, are still evolving, and we cannot assure you that the courts or regulatory authorities will agree with our analysis.

We may incur additional costs in monitoring and detecting potential infringement. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. Defending against any infringement or licensing allegations and claims can be costly and time consuming and may divert management's time and other resources from our business and operations, and the outcome of many of these claims and proceedings cannot be predicted. If a judgment, a fine or a settlement involving a payment of a material sum of money were to occur, or injunctive relief were issued against us, it may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, and our business, reputation, results of operations and financial condition may be materially and adversely affected.

Adverse litigation judgments or settlements resulting from legal proceedings or investigations in which we may be involved could expose us to monetary damages or limit our ability to operate our business.

We have been, and may in the future become, involved in private actions, collective actions, investigations, and various other legal proceedings by drivers, passengers, employees, business partners, service providers, other shareholders, competitors, or government authorities, among others. Please see "Business — Legal Proceedings and Compliance" for more details. The results of any such litigation, investigations, and legal proceedings are inherently unpredictable, and defending against them is expensive. Any claims involving us, whether meritorious or not, could be time consuming, costly, and harmful to our reputation, and could require significant amount of management time and corporate resources. If any of these legal proceedings were to be determined adversely to us, or we were to enter a settlement arrangement, we could suffer monetary damages or be forced to change the way in which we operate our business, which could adversely affect our business, financial condition, and results of operations. Furthermore, our insurance policies and programs may not provide sufficient coverage to adequately mitigate the potential liability we face, and we may have to pay high premiums or deductibles for our coverage, and, for certain situations, we may not be able to secure coverage at all. Please see "— Our insurance coverage may not sufficiently cover the risks related to our business."

Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business and results of operations.

We seek to establish risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. See "Business — Risk Management and Internal Control." However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be able to identify, prevent and manage all risks. Our internal control procedures are designed to monitor our operations and ensure their overall compliance. However, our internal control procedures may be unable to identify all non-compliance incidents in a timely manner, or at all. It is not always possible to timely detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective.

Our risk management and internal control systems also depend on the effective implementation by our employees. However, we cannot assure you that such implementation will not be subject to any human errors or mistakes, which may materially and adversely affect our business and results of operations. As we are likely to offer a broader and more diverse range of services in the future, the diversification of our services will require us to continue to enhance our risk management and internal control capabilities. If we fail to timely adapt our risk management and internal control policies and procedures to our changing business, our business, results of operations and financial condition could be materially and adversely affected.

We may need additional capital and we may not be able to obtain it on favorable terms.

We may, from time to time, need additional capital to support our operations, expansions, conduct research and development and expand our service network. We expect that our level of capital expenditure will be significantly affected by the demand of our passenger transportation services or ride-hailing services and of our digitalization and business solutions.

Our ability to obtain necessary financing to carry out our business plan is subject to a number of factors, including, but not limited to, general market conditions and investor acceptance of our business plan. These factors may take the timing, amount, terms and conditions of such financing unattractive or unavailable to us. In particular, recent disruptions in the financial markets and volatile economic conditions could affect our ability to raise capital. If we are unable to raise sufficient funds, we will have to significantly reduce our spending or delay or suspend our planned activities. In addition, our future capital needs and other business reasons could require us to sell additional equity or debt securities or obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders' shareholding. The issuance of debt securities and incurrence of additional indebtedness would result in increased debt service obligations. Also, if any of our existing or future financing arrangements requires us to maintain specified financial ratios, satisfy financial covenants and contain cross-default clauses, we may need to seek permission from our lenders to engage in some corporate actions as a result of such restrictions. In that case, our lenders' interests may be different from ours, and we may not be able to obtain their permission when needed. This may prevent us from taking actions that we believe are in our best interests. Any failure by us to meet the payment and other obligations, including the financial covenants and security coverage requirement, may lead to defaults under our secured loan agreements. Our lenders could then accelerate our indebtedness, which may adversely impact our business, results of operations, financial condition, and our ability to pay dividends to our shareholders.

Our insurance coverage may not sufficiently cover the risks related to our business.

In line with general market practice, we maintain certain insurances covering unexpected risks associated with our business and operations, including travelling responsibilities insurance, employee insurance, work safety liability insurance, property damage insurance and vehicle damage insurance, while we do not maintain key man life insurance or business interruption insurance, which are not mandatory under the applicable laws. We also purchase insurance in relation to our ride-hailing services, including carrier liability insurance and production safety liability insurance. If our insurance coverage is not adequate to cover losses that occur, we could be liable for significant additional costs. Furthermore, any uninsured occurrence of business disruption, litigation or natural disaster, or significant damages to our uninsured equipment or facilities could have a material adverse effect on our results of operations.

The insurance industry in the geographic markets we operate is still at an early stage of development, and insurance companies currently offer limited business-related insurance products. As such, we may not be able to ensure certain risks related to our assets or business even if we desire to. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from any loss, and we cannot assure you that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, results of operations and financial condition could be materially and adversely affected.

The PRC regulatory environment and legal system are evolving, and may require us to adopt changes to our operations from time to time, failure to respond to changes could materially and adversely affect our business.

We are incorporated under the laws of the PRC. The PRC legal system is a civil law system based on written statutes. Different from common law systems, 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 the 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. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, 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. Local courts may have discretion to reject 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, the 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.

The laws and regulations applicable to us are constantly evolving. As a result, we may not be aware of our violation of relevant policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in our geographical markets could materially and adversely affect our business and impede our ability to continue our operations.

Certain issues relating to our leased properties may disrupt our continued use of the properties or expose us to potential fines.

Our corporate headquarters are located in Beijing, China. As of April 30, 2026, we did not own any properties and leased 33 properties in various cities in China with an aggregate gross floor area of 5,895.12 square meters, all of which were used as office space for our business operations, staff dormitories or warehouse. Please see "Business — Properties."

At the end of each lease term, we must negotiate an extension of the lease. If we are not able to negotiate an extension on terms acceptable to us, we will be forced to move to a different location, or the rent may increase significantly. This could disrupt our operations and adversely affect our financial condition, and may result in our inability to turn from net loss to net profit. In addition, we cannot assure you that the leases will not be terminated before their expiration date reasons beyond our control, such as breaches of leases by the landlord or the tenant of the premises or invalidation of leases due to the landlords' lack of title to lease the properties. If any of these leases is terminated as a result of challenges by third parties, we may not be able to continue using such properties. In such event, we need to relocate to other premises and may incur additional costs due to relocation.

In addition, as of April 30, 2026, eight of our leased properties with an aggregate gross floor area of 756.86 m^2 had title defects as certain lessors failed to provide property ownership certificates or other relevant certificates regarding their legal right to lease such properties. See "Business — Properties." We may face challenges from the property owners or other third parties regarding our right to occupy the premises.

Furthermore, if the landlords fail to perform their obligations under the leases between the landlords and us due to any reason, including but not limited to their own non-compliance with relevant laws and regulations, government-authorized demolition, or any other unforeseeable events, we may be unable to continue using such properties. As of the Latest Practicable Date, we were not aware of any challenges being made by a third party or government authority on the titles of any of these leased properties that may affect our current occupation. Although we do not expect to become subject to any fines or penalties if any of these leases are terminated because of challenges by third parties or government authorities for any of these issues, we may be forced to relocate our operations from the affected offices and incur additional expenses accordingly. If we fail to find suitable replacement sites in a timely manner or on terms commercially acceptable to us, our business operations may be adversely affected.

Moreover, pursuant to the applicable PRC laws and regulations, the parties to a lease are required to register and file such lease with the relevant local branches of the PRC Ministry of Housing and Urban Development. As of April 30, 2026, 24 lease agreements of our leased properties with an aggregate gross floor area of 3,212.21 m^2 had not been registered and filed with relevant land and real estate management departments in China. While the lack of registration will not affect the validity of the leases under PRC laws and regulations, we may be ordered by the relevant government authorities to register the relevant leases within a prescribed period, otherwise we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each incident of non-compliance of lease registration requirements.

Gains on the sale of H Shares and dividends on the H Shares may be subject to PRC income taxes.

Under current PRC tax laws, regulations and rules, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate under Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》) for the interests, dividends, and bonus they obtain from the PRC. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. Generally, in accordance with the Notice on Matters Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 Issued by the SAT (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》), domestic non-foreign-invested enterprises issuing shares in Hong Kong may, when distributing dividends to overseas resident individuals in the jurisdiction of the tax treaty, withhold individual income tax at the rate of 10%. When a tax rate of 10% is not applicable, the withholding company shall: (a) return the excessive tax amount pursuant to due procedures if the applicable tax rate is lower than 10%; (b) withhold such foreign individual income tax at the effective tax rate agreed on if the applicable tax rate is between 10% and 20%; or (c) withhold such foreign individual income tax at a rate of 20% if no taxation treaty is applicable.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by SAT, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares shall be 10%, subject to a further reduction under special arrangements or applicable treaties between China and the jurisdiction of the residence of the relevant non-PRC resident enterprise.

In addition, the PRC's tax laws and regulations may develop and the interpretation and application of applicable PRC tax laws and regulations may be amended from time to time. For example, there is no assurance whether non-PRC resident individual holders will be subject to an individual income tax on their gains from the sale of H Shares due to any changes in PRC tax laws and regulations or relevant interpretation or implementation of such laws and regulations. In addition, the interpretation and application of applicable PRC tax laws and regulations may vary, and may constantly evolve and subject to significant change, including individual income tax on dividends paid to non-PRC resident shareholders, and on gains realized on sale or other disposition of our H Shares. If there is any change to applicable tax laws and regulations or in the interpretation or application of such laws and regulations, the value of your [**REDACTED**] in our H Shares may be materially affected.

Regulations governing the use of algorithms have been adopted from time to time. If new or existing regulations restrict our ability to use algorithms in our business, our business, financial condition, results of operations, and prospects could be adversely affected.

We use algorithms in our operations. For example, we use various SQL aggregation algorithms during our operations to classify and analyze data. In addition, we have a technology and data advantage due to our large passenger base and significant transaction volume, which allows us to analyze data to power and improve our services and technology.

China has adopted regulations governing the use of algorithms and algorithm-generated recommendation. The Anti-Monopoly Guidelines on Platform Economy effective on February 7, 2021, prohibit differentiated transaction prices or other transaction conditions without justifiable reasons, based on data analytics regarding passengers' paying capacity, consumption preference, and habits, among others. The Guidelines on Strengthening the Comprehensive Regulation of Algorithm for Internet Information Services issued on September 17, 2021, require competent regulatory authorities to monitor daily data use, application scenarios, and effects of algorithms, conduct security assessment of algorithms, establish an algorithm filing system, and promote classified security management of algorithms. The Provisions on the Administration of Algorithm Recommendation for Internet Information Services effective on March 1, 2022, require algorithmic recommendation service providers to fulfil their responsibilities for algorithm security, inform passengers in a conspicuous manner of their provision of algorithmic recommendation services, and publicize and regularly review the basic principles, purposes, and main operating mechanisms of algorithmic recommendation services in an appropriate manner. The Cyber Data Security Regulations requires the large network platform service providers to utilize fair and impartial algorithms and platform rules. See "Regulatory Overview — Regulations Relating to Information Security and Censorship." If new or existing regulations restrict our ability to use algorithms in our business, we may be unable to leverage our competitive advantage to the same extent, and our business, financial condition, results of operations, and prospects could be adversely impacted.

Failure to be in full compliance with PRC laws and regulation relating to social insurance and housing provident fund may subject us to penalties.

PRC laws and regulations require us to pay statutory social welfare benefits for our employees, including social insurance premium. During the Track Record Period, we engaged a third party to pay social insurance and housing provident fund on behalf of us and we did not make adequate contributions to the social insurance plan and housing provident fund for our employees as required under applicable PRC law. Pursuant to relevant PRC laws and regulations, (1) if we fail to make the full contribution of social insurance premiums as required, the local social insurance agencies may require us to pay the outstanding amount within a prescribed period and may impose a late payment fee equivalent to 0.05% of the overdue payment per day from the date on which the payment is payable; if such payment is not made within the prescribed period, the competent authority may further impose a fine from one to three times the amount of the overdue payment; (2) if we fail to make the full contribution of housing provident fund on time with the required amount, the Housing Fund Management Center may require us to make the payments within a specified deadline or apply to court for enforcement if we still fail to pay after the deadline. For details, please see "Regulatory Overview — Regulations Relating to Labor and Social Security —

Social Insurance and Housing Provident Fund." Although we did not receive any fines or penalties or order of correction from competent authorities as a result of our inadequate contribution to our employees' social insurance plan and housing provident fund during the Track Record Period and up to the Latest Practicable Date, if the relevant local authorities require us to pay the outstanding amount and impose late fees or fines on us, our business, financial condition, and results of operations could be adversely affected.

You may experience difficulties in effecting service of process, enforcing foreign judgments or bringing original actions in China or Hong Kong based on foreign laws against us, our Directors or senior management.

We are a company incorporated under the laws of the PRC and substantially all our assets and subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. Therefore, there remains the possibility that investors may not be able to directly effect service of process in Hong Kong or outside of China upon us or our Directors or senior management.

There are currently no treaties in the PRC providing for reciprocal recognition and enforcement of court judgments in certain countries, including without limitation, the United States, the United Kingdom and Japan. As a result, recognition and enforcement of court judgments from these jurisdictions may be difficult. On July 14, 2006, China and Hong Kong signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"), which came into effect on August 1, 2008. Under the Arrangement, where any designated People's Court of the PRC or Hong Kong court has made an enforceable final judgment requiring payment of money in a civil and commercial case pursuant to a choice of court agreement, any party concerned may apply to the relevant People's Court of PRC or Hong Kong court for recognition and enforcement of the judgment. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into such a choice of court agreement in writing. The interpretation and implementation of the Arrangement is still evolving and the outcome and effectiveness of an action brought under the Arrangement may be difficult to evaluate.

On January 18, 2019, the PRC Supreme Court and the Hong Kong government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the PRC. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme Court and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement will, upon its effectiveness, supersede the Arrangement. Before the New Arrangement comes into effect, there remains the possibility that a judgment rendered by a Hong Kong court may not be enforced in China if the parties in the dispute do not agree to enter into a choice of court agreement.

Policies and regulations regarding foreign currency conversion may limit our ability to pay dividends and satisfy other obligations.

Our ability to obtain foreign exchange is subject to significant foreign exchange regulations and, in the case of transactions under the capital account, requires the approval of and/or registration with PRC government authorities, including the SAFE. In particular, if we finance by means of foreign debt, the amount is not allowed to, among other things, exceed the statutory limits and such loans must be registered with the local counterpart of the SAFE. If we finance by means of additional capital contributions, these capital contributions are subject to registration with the SAMR or its local branch, reporting of foreign investment information with the MOFCOM, or registration with other governmental authorities in China. In the light of the various requirements imposed by PRC regulations on loans to, and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government procedures or obtain the necessary government approvals on timely basis. If we fail to complete such registrations or obtain such approval, our ability to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

In addition, a portion of our revenue may be converted into other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currency to make payments of declared dividends, if any, on our H Shares. Under China's existing laws and regulations on foreign exchange, following the completion of the [**REDACTED**], we will be able to make dividend payments in foreign currencies by complying with certain procedural requirements and without prior approval from SAFE. However, in the future, the PRC government may, at its discretion, take measures to restrict access to foreign currencies for capital account and current account transactions under certain circumstances. As a result, we may not be able to pay dividends in foreign currencies to holders of our H Shares. The value of the Renminbi against the U.S. dollar and other currencies fluctuates from time to time and is affected by several factors, such as changes in China's and international political and economic conditions and the fiscal and foreign exchange policies prescribed by the PRC government. The development of foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization may in the future result in further modification by regulators to the exchange rate system, and the Renminbi could appreciate or depreciate significantly in value against the Hong Kong dollar or the U.S. dollar in the future.

The [**REDACTED**] from the [**REDACTED**] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [**REDACTED**] from the [**REDACTED**]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Any of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our H Shares in foreign currency terms.

RISKS RELATING TO THE [REDACTED]

There has been no previous public market for our H Shares, and the liquidity and [REDACTED] of our H Shares following the [REDACTED] may be volatile.

Prior to completion of the [**REDACTED**], there has been no public market for our H Shares. There can be no guarantee that an active [**REDACTED**] for our H Shares will develop or be sustained after the completion of the [**REDACTED**]. The [**REDACTED**] for our H Shares is the result of negotiations between us and the [**REDACTED**] (for itself and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our H Shares will be [**REDACTED**] following completion of the [**REDACTED**]. We have applied for the [**REDACTED**] of, and permission to [**REDACTED**], our H Shares on the Hong Kong Stock Exchange. A [**REDACTED**] on the Hong Kong Stock Exchange, however, does not guarantee that an active and liquid [**REDACTED**] for our H Shares will develop, or, if it does develop, will be sustained following the [**REDACTED**] or that the [**REDACTED**] of our H Shares, will not decline following the [**REDACTED**]. The [**REDACTED**] of our H Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**]. Furthermore, the [**REDACTED**] and [**REDACTED**] of our H Shares may be volatile. The following factors may affect the [**REDACTED**] and [**REDACTED**] at which our H Shares will [**REDACTED**]:

- actual or anticipated fluctuation in our revenues and results of operations;
- news regarding the recruitment or loss of key personnel by ourselves or our competitors;
- announcements of competitive developments, acquisitions or strategic alliances in our industries;
- changes in earnings estimates or recommendations by financial analysts;
- potential litigation or regulatory investigations;
- general market conditions or other developments affecting us or our industries;
- the operating and stock price performance of other companies, other industries, and other events or factors beyond our control; and
- the release of [**REDACTED**] or other transfer restrictions on our outstanding H Shares, or sales or perceived sales of additional H Shares by us or other shareholders.

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

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

The [**REDACTED**] of our H Shares could decline as a result of future sales or issuances of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the perception that such sales or issuances may occur. Moreover, such future sales or perceived sales may also adversely affect the prevailing [**REDACTED**] of our H Shares and our ability to raise capital in the future at favorable time and price.

Upon completion of the [**REDACTED**], we would have two classes of Shares: Unlisted Shares and H Shares. Our Unlisted Shares may be [**REDACTED**] into H Shares under certain circumstances, subject to the applicable PRC laws, regulations, and approvals, including internal approval and the approval from the relevant PRC regulatory authorities, and subject to the rules, regulations, and procedures of the Hong Kong Stock Exchange. If a significant number of Unlisted Shares are [**REDACTED**] into H Shares, the supply of H Shares may be substantially increased, which could materially and adversely affect the prevailing [**REDACTED**] of our H Shares. Furthermore, if additional funds raised through our issuance of new equity or equity-linked securities other than on a pro-rata basis to our existing shareholders, the percentage ownership for such shareholders may be reduced. Such new securities may also confer rights and privileges that take priority over those conferred by the H Shares.

Since the [REDACTED] of our H Shares is higher than the consolidated net tangible book value per share, purchasers of our H Shares in the [REDACTED] may experience immediate dilution upon such purchases and may experience further dilution if we issue additional H Shares upon the exercise of the [REDACTED] or if we issue additional Shares in the future to raise additional capital.

As the [**REDACTED**] of our H Shares is higher than the consolidated net tangible assets per Share immediately prior to the [**REDACTED**], purchasers of our H Shares in the [**REDACTED**] will experience an immediate dilution. To expand our business, we may consider offering and issuing additional Shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional Shares in the future at a price which is lower than the net tangible asset value per Share at that time. In addition, holders of our H Shares may experience further dilution of their interest if the [**REDACTED**] exercise the [**REDACTED**] or if we issue additional Shares in the future to raise additional capital.

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

Our management may use the net [**REDACTED**] from the [**REDACTED**] in ways that you may not agree with or that do not yield favorable returns for our shareholders. For more details about our use of [**REDACTED**] of the [**REDACTED**], please see "Future Plans and Use of [**REDACTED**] — Use of [**REDACTED**]."

However, our management will have discretion as to the actual utilization of the net [**REDACTED**] within the disclosed scope of planned usage. You are entrusting your funds to our management, upon whose judgment you must depend for the specific uses we will make of the net [**REDACTED**] from the [**REDACTED**].

There can be no assurance whether and when we will pay dividends in the future.

Since our inception, we have not declared or paid any dividends on our H Shares. We expect to continue to invest in technology and innovation to implement our growth strategies, which we believe will contribute to the value creation for customers, employees, and shareholders. When determining whether to declare or pay dividends, our Board of Directors take into consideration a number of factors, including our earnings and financial condition, operating requirements, capital requirements, business prospects, statutory, regulatory and contractual restrictions on our declaration and payment of dividends, and any other factors that it may consider important. Any declaration and payment, as well as the amount of the dividends, will be subject to our Articles and the relevant PRC laws and regulations. As a result, there can be no assurance whether, when, and in which form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy.

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

Subsequent to the date of this document but prior to the completion of the [**REDACTED**], there may be press and media coverage regarding us and the [**REDACTED**], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [**REDACTED**]. We do not have sufficient control over the press and media coverage, and analysts might issue negative views or recommendations on us, which could have an adverse effect on the [**REDACTED**] of H Shares. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective [**REDACTED**] are cautioned to make their [**REDACTED**] decisions on the basis of the information contained in this document only and should not rely on any other information.

You should rely solely upon the information contained in this document, the [**REDACTED**] and any formal announcements made by us in making your [**REDACTED**] decision regarding our H Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the [**REDACTED**] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective [**REDACTED**] should not rely on any such information, reports or publications in making their decisions as to whether to [**REDACTED**] in the [**REDACTED**]. By applying to [**REDACTED**] our H Shares in the [**REDACTED**], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [**REDACTED**].