**[REDACTED]** *in our H Shares involves significant risks. You should carefully read and consider all of the information in this document, including the risks and uncertainties described below, before deciding to* **[REDACTED]** *in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, results of operations, financial condition and growth prospects. In any such case, the* **[REDACTED]** *of our H Shares could decline, and you may lose all or part of your* **[REDACTED]**. *The risks and uncertainties identified below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business, results of operations and financial condition.*

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

## RISKS RELATING TO OUR BUSINESS AND INDUSTRY

**Our business is sensitive to macroeconomic conditions, and the economic and social conditions in the countries and regions where we operate could materially and adversely affect our business, results of operations and financial condition.**

We operate in the destination management services market, which is highly sensitive to business and personal discretionary spending levels and generally tends to decline during economic downturns. We generate revenue from customers across multiple source markets and derive a substantial portion of our revenue from services delivered in destinations across Europe, North America, Asia, Africa and Oceania. Accordingly, our business, results of operations and financial condition are subject to the economic, political and social conditions in each of these markets. Consumer demand for our services is closely linked to the overall level of discretionary spending on international travel. Weaknesses in the economy could erode consumer confidence, which could, in turn, result in changes to consumer spending on travel services. Accordingly, our business and results of operations have been, and are expected to continue to be, affected by developments in global macroeconomic conditions. If consumer demand for travel services decreases, our business and results of operations will suffer.

Naturally, economic growth has been uneven across the regions in which we operate, with certain markets experiencing slower recovery, persistent inflationary pressures, rising interest rates or subdued consumer sentiment. The global macroeconomic environment constantly faces many challenges and uncertainties. Economic factors, such as interest rates, heightened inflationary pressures, currency exchange rate volatility, changes in monetary and fiscal policies, market volatility, consumer confidence, supply chain issues and unemployment rates, are among the most significant factors that impact consumer spending behavior. These conditions may reduce the affordability and attractiveness of international travel for consumers in affected markets. In addition, labor market conditions, wage growth and household debt levels all influence travel consumption patterns. Adverse developments in any of these areas in a major source market could materially reduce the number of tourists traveling to our destinations and negatively impact our revenue and profitability.

Our operations are also influenced by the economic and regulatory conditions in our destination markets. Inflation in destination countries may increase the costs of accommodation, transportation, meals and other travel elements we procure, which may result in higher prices for our customers. Local economic downturns may lead to reduced service quality, closure of supplier businesses, or deterioration in tourism infrastructure, which could disrupt our operations and damage our reputation. Furthermore, changes in social conditions, including civil unrest, labor strikes or political instability in a destination market, could deter tourists from traveling to that destination and result in last-minute cancellations, itinerary changes and additional costs.

Weak economic conditions or a significant deterioration in either global or certain regional economic conditions, including those resulting from general macroeconomic factors, such as rising interest rates imposed by the U.S. Federal Reserve in response to inflation concerns, health epidemics such as the COVID-19 pandemic which caused significant global economic and social disruption, or man-made events such as the military conflicts in Ukraine and the Middle East, may increase economic uncertainty, reduce the amount of disposable income consumers have, which, in turn, reduces consumer spending, and would have an adverse effect on our business, financial condition and results of operations.

We cannot predict future economic or social developments in any of the markets in which we operate. A prolonged economic downturn or social disruption in one or more of our key source or destination markets could have a material adverse effect on our business, results of operations, financial condition and prospects.

**Any future occurrence of natural disasters, outbreaks of contagious diseases or other force majeure events may materially and adversely affect our business, results of operations and financial condition.**

We generate substantially all of our revenue from the destination management services market. In addition to macroeconomic conditions, our business may be significantly affected by many factors that tend to reduce travel, including: (1) widespread health concerns, epidemics or pandemics, such as the COVID-19 pandemic, the Zika virus, H1N1 influenza, the Ebola virus, avian flu, SARS or any other serious contagious diseases; (2) severe earthquakes and other natural disasters, or extreme weather conditions, such as hurricanes and flooding, and actions taken by governments, businesses and supplier partners in response to such natural disasters or extreme weather conditions; (3) global security concerns caused by terrorist attacks, the threat of terrorist attacks, or the precautions taken in anticipation of such attacks, including elevated threat warnings or selective cancelation or redirection of travel; (4) political unrest, the outbreak of hostilities or escalation or worsening of existing hostilities or war; (5) the occurrence of travel related accidents or the grounding of aircraft due to safety concerns; (6) labor shortages affecting the cost and availability of airline travel; and (7) adverse changes in visa and immigration policies or the imposition of travel restrictions or more restrictive security procedures.

We have little or no control over the occurrence of such disruptions, which could result in a decrease in demand for our travel services and, in turn, materially and adversely affect our business, financial conditions and results of operations.

In addition, our business could be adversely affected by natural disasters or outbreaks of epidemics. These natural disasters, outbreaks of contagious diseases, and other adverse public health developments in any countries or regions in which we do business could severely disrupt our business operations by damaging our network infrastructure or information technology system, or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations. We have not adopted any written contingency plans to combat any future natural disasters or outbreaks of serious contagious diseases.

**Our business operations and international expansion are subject to geopolitical risks.**

Our business operation and international expansion are subject to geopolitical risks. Any significant deterioration in international relationships may have a negative impact on the demand for international travel, the ability or willingness of tourists to travel to certain destinations, and the stability of our local operations, which could have a material and adverse effect on our business, financial condition and results of operations.

We provide and sell our services globally, covering destinations across Europe, North America, Africa, Asia and Oceania. Geopolitical events, such as military conflicts, territorial disputes or diplomatic tensions, may also disrupt flight routes, increase travel insurance costs, or cause travelers to avoid certain destinations.

In February 2022, Russian troops commenced a military action in Ukraine. Although the length and impact of the ongoing military conflict is highly unpredictable, the conflict in Ukraine could lead to market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. Additionally, Russia's prior annexation of Crimea, recent recognition of two separatist republics in the Donetsk and Luhansk regions of Ukraine and subsequent military interventions in Ukraine have led to sanctions and other penalties being levied by the United States, European Union and other countries against Russia, Belarus, the Crimea Region of Ukraine, the so-called Donetsk People's Republic, and the so-called Luhansk People's Republic, including the decision to remove certain Russian financial institutions from the Society for Worldwide Interbank Financial Telecommunication, or SWIFT, payment system, expansive ban on imports and exports of products to and from Russia and ban on exportation of U.S. denominated bank notes to Russia or persons located there. Additional potential sanctions and penalties have also been proposed and/or threatened. Russian military actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets. Although our operations have not experienced material and adverse impact in terms of the supply chain, cybersecurity or other aspects of our business from the ongoing conflict between Russia and Ukraine, there is no assurance that such conflict would not develop or escalate in a way that could materially and adversely affect our business, financial condition, and results of operations in the future.

In addition, tensions in the Middle East have escalated in recent years and may continue to pose risks to our business. In 2024, military confrontations resulted in heightened regional instability and concerns over potential disruptions to global shipping routes and supply chains. More recently, in early 2026, renewed hostilities further intensified geopolitical uncertainties in the region. Any such disruptions could increase the costs of local travel resources, disrupt our itinerary and service arrangements, delay service delivery to our customers, or complicate our expansion into new destinations. We cannot assure you that further escalation of conflict in the Middle East will not materially and adversely affect our business, financial condition and results of operations.

**The size of our addressable markets and the demand for destination management services may not increase as rapidly as we anticipate due to a variety of factors, which would materially and adversely affect our business, results of operations and financial condition.**

The destination management services industry has been developing rapidly. The future market size of the industry and the demand for destination management services may, however, be difficult to anticipate since it depends on a number of variables, most of which are beyond our control. For example, the market growth may depend on the application of our services across various industry sectors and the performance and cost efficiency of these services. If there is a reduction in customer demand as a result of alternative travel arrangements, competing services, technological challenges, decreases in customer spending, weakening economic conditions or other causes, our business, results of operations and financial condition will be materially and adversely affected.

In addition, the market acceptance of our services may vary across different industry sectors and source markets. As we aim to reach out to more customers across different sectors and regions, we may face challenges resulting from more diverse and complex travel requirements. We cannot assure you that the trend of adopting and utilizing destination management services by potential customers will develop or continue in the future in any given market, which in turn would hinder our ability to achieve the desired level of adoption of our services.

**Our business operation and financial performance may be adversely affected if we fail to timely introduce new services to adapt to customers' needs and advancements in technology.**

The destination management services industry in which we operate is characterized by rapid changes in customer preferences and frequent introductions of new destination management services. Accordingly, our business success depends on our ability to continuously introduce new and upgrade existing services in a timely manner. In particular, the timely introduction of new services and upgrading of existing services requires us to: (1) adapt quickly and cost-effectively to changing customer specifications, market conditions and regulatory standards; (2) cooperate effectively with customers, suppliers and other partners to meet customization requirements; (3) continuously improve the reliability, scalability and diversity of our services; (4) design performance-enhancing features that differentiate our services from competitors; and (5) respond promptly to market changes and service announcements by our competitors.

If we fail to meet any of these requirements, our services may become less competitive or even obsolete. Any delays or inefficiencies in upgrading our services may impact our ability to capitalize on emerging travel trends or address evolving market demands, further diminishing our market position.

**Our future results of operations depend upon our ability to obtain travel elements in sufficient quantities on commercially reasonable terms from third-party suppliers.**

Travel elements are a major component of our total cost of sales. The main travel elements that we use in our services are hotel accommodation, transportation (air, land, and sea), tour guides, meals and attraction tickets. We procure these elements from third-party suppliers. The prices of these elements are susceptible to significant fluctuations due to supply and demand trends in the destination management services industry, transportation costs and government regulations, geopolitical events, changes in currency exchange rates, price controls, the economic climate and other unforeseen circumstances. Our results of operations could be adversely affected if we are unable to obtain adequate supplies of high-quality travel elements in a timely manner at reasonable prices, or if there are significant increases in the costs of travel elements that we could not pass on in full to our customers.

We rely on the timely supply of travel elements in order to carry out our service delivery plans as scheduled. Any delays or disruptions in such supplies from our suppliers may have a material and adverse impact on our ability to meet our customers' demands for our services on time. In addition, any natural or man made disasters or other unanticipated catastrophic events, including adverse weather, fires, technical or mechanical difficulties, storms, explosions, earthquakes, strikes, acts of terrorism, wars and outbreaks of pandemics could impair the operations of our suppliers and impede our ability to deliver our services to our customers in a timely manner.

Some travel elements, including those that are available from multiple sources, are at times subject to industry wide shortages and significant pricing fluctuations. We cannot assure you that we will be able to extend or renew the agreements that we have entered into for the supply of travel elements on similar terms, or at all. The effects of global or regional economic conditions on our suppliers could also affect our ability to obtain travel elements, and we remain subject to significant risks of supply shortages and price increases, which may adversely affect our business, results of operations and financial condition.

**We are exposed to foreign exchange risks, and fluctuations in exchange rates could materially and adversely affect our results of operations.**

We generate a significant portion of our revenue in currencies other than Renminbi, while a substantial part of our costs and expenses are denominated in Renminbi. As a result, fluctuations in exchange rates between Renminbi and the relevant foreign currencies directly affect our results of operations. Depreciation of the currencies in which we earn revenue against Renminbi reduces the Renminbi-equivalent value of our reported revenue and gross profit. We may not be able to adjust our pricing to offset the impact of adverse currency movements, particularly in markets where our services face price-sensitive demand. Appreciation of Renminbi therefore tends to compress our margins and weaken our financial performance, while Renminbi depreciation tends to have the opposite effect.

We also face translation exposure when consolidating the financial statements of our overseas subsidiaries whose functional currencies are not Renminbi. Movements in exchange rates may cause fluctuations in our revenue, profit, assets and liabilities from period to period, which may complicate period-on-period comparisons of our financial results.

**We may be unable to execute our strategies effectively.**

Our business, results of operations and financial condition depend in part on our ability to effectively implement our growth strategies. For example, if we encounter unexpected difficulties in expanding our global service network into new destinations, fail to integrate our technology upgrades with our existing operations, or are unable to effectively manage our growing portfolio of destination management services, we may not realize the expected benefits from these initiatives. If we encounter any issue during our international expansion or if we fail to manage our service portfolio expansion, our business, results of operations and financial condition may be materially and adversely affected. Despite the fact that we have secured orders from leading customers in certain emerging markets during the Track Record Period, such services may not gain sufficient market acceptance or realize revenue as predicted. In addition, we must continue to hire, train and effectively manage new employees. If newly hired employees perform poorly or if we are unsuccessful in hiring, training, managing and integrating new employees, our business, results of operations and financial condition may be materially and adversely affected. To effectively manage the expected growth of our operations and personnel, we will need to continue to improve our technological, operational and financial systems, policies, procedures and controls. All of these endeavors involve risks and will require significant managerial, financial and human resources. There is no assurance that we will be able to effectively manage our growth or to implement all these systems, procedures and control measures successfully or that our new business initiatives will be successful. If we are not able to manage our growth or execute our strategies effectively, our expansion may not be successful and our business and prospects may be materially and adversely affected.

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

Our ability to generate and increase our revenue depends largely on our ability to retain existing customers, attract new customers or increase their spending with us. This, in turn, would depend on a number of factors, including our ability to offer high-quality services that address the needs of our customers at competitive prices, roll out new and enhanced features and service offerings, strengthen our operational capabilities and adapt to the evolving industry trends and competitive landscape.

Furthermore, our customer base and customer spending with us may decline or fluctuate due to many factors, including customer satisfaction, customer budget levels, changes in our customers' underlying businesses, changes in the type and size of our customers, pricing, competitive landscape and general economic conditions. We may also fail to execute our sales and marketing strategies in a cost-effective manner or our efforts to cross sell and up sell may not be as successful as we anticipate. Moreover, failure to maintain high quality customer support may also have an adverse effect on customer retention. Such failures could result in customer dissatisfaction and a decrease in the overall demand for our services, which would materially and adversely affect our business, results of operations, financial condition and prospects.

As we have been and will continue expanding our customer base and diversifying the source markets and destinations that we cover, the demands of our customers may differ from each other and evolve over time. As such, we need to upgrade, expand and modify our services to satisfy their requirements. We also need to develop expertise and insights to serve customers across different markets and adapt our services accordingly to ensure a high degree of our market acceptance. We cannot assure you that we can always provide services that meet our customers' expectations. As a result, we may not be able to retain and expand our customer base, and our business, results of operations and financial condition may be materially and adversely affected.

**If our expansion into new destinations and source markets is not successful, our business, prospects and growth momentum may be materially and adversely affected.**

We provide destination management services to address the diversified needs of our customers across various source markets. We have a track record of successfully expanding into new destinations. We cannot assure you, however, that we will be able to maintain this momentum in the future. Expanding into new destinations and source markets involves new risks and challenges, such as the difficulty in keeping pace with evolving customer demands and preferences that we may be unfamiliar with, and establishing relationships with local suppliers. In addition, there may be one or more existing market leaders in such areas. Such companies may be able to compete more effectively than us by leveraging their experience in addressing customer needs in those destinations, as well as their deeper industry insights, greater brand recognition, more advanced technologies and better access to customer base and business opportunities. We could also be subject to additional regulations relating to new destinations that we enter into, and we may not have sufficient experience or resources in dealing with those enhanced requirements and could incur additional compliance costs as a result. Expansion into any new destinations or source markets may place significant strains on our management and resources, and failure to expand successfully could have a material adverse effect on our business, results of operations, financial condition and prospects.

**We are subject to risks associated with the overseas expansion of our business.**

We plan to continue to expand our business in selected overseas markets. As a result, we are subject to a variety of risks and uncertainties associated with overseas operations and sales, including compliance with foreign laws, regulations and local industry standards; export control and economic sanctions laws and regulations; exposure to increased overseas litigation risks; political and economic instability, as well as geopolitical tensions; foreign currency exchange rate fluctuations, currency controls and cash repatriation restrictions; restrictions on imports from the PRC or other trade barriers, such as export requirements, sanctions, licensing and other restrictions and expenses; unfamiliarity with local operating and market conditions and competitive landscape; uncertainty on the degree of market acceptance; competition from local companies; failure to attract and retain locally qualified management and employees; alignment of the operations, culture and systems of the international team with our existing operations; foreign taxes; environmental, safety and labor regulatory compliance; and potential disputes and difficulty in managing relationships with overseas customers. Additionally, as we sell our services to overseas markets and we may expand our business in overseas markets, we will face management risks associated with the growth of our international team and the management of territories under our international strategy.

Any failure to manage the foregoing and other risks and uncertainties could result in operational inefficiencies, increased costs and a diversion of management's attention from other business matters, which in turn could adversely affect our overseas business and its expansion, and result in reduced turnover from our overseas operations, which in turn could materially and adversely affect our business, results of operations and financial condition.

**Changes in international travel policies, visa requirements and travel restrictions may materially and adversely affect our business, results of operations and financial condition.**

Our global operations subject us to various laws, regulations and policies relating to international travel, including visa and entry requirements. We sell our services in a number of overseas markets. Our business depends substantially on the free movement of tourists across borders. Changes in visa and immigration policies, the imposition of travel restrictions or more stringent security procedures in any of our source or destination markets may directly reduce the volume of outbound travel and, in turn, reduce demand for our services.

Any adverse change to existing entry requirements in our destination countries for tourists from key source markets such as China, Southeast Asia, Europe and the United States may lead to a significant decline in tourism demand for those destinations. For example, if a government imposes a travel ban or advisory against travel to a particular destination due to security concerns, health emergencies or other reasons, the number of tourists visiting that destination could drop sharply, which would materially and adversely affect our business operations in that region. Changes in international travel policies may also affect our ability to obtain necessary visas and work permits for our employees or to move operational staff across borders, which could hinder our ability to deliver services on the ground in certain destinations and disrupt our local operations.

We cannot guarantee that the regulatory environment for international travel will not become more restrictive in the future. Travel-related laws, regulations and administrative practices are subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties. Any failure on our part to anticipate or adapt to these changes in a timely manner could result in operational disruptions, loss of revenue and reputational damage.

**Changes in trade policies, economic sanctions or trade barriers may materially and adversely affect our business, results of operations and financial condition.**

Our business is influenced by the broader international trade environment. The imposition of trade tariffs, economic sanctions or other trade barriers between countries can reduce overall economic activity and weaken consumer confidence, leading to decreased spending on travel and related services. Our operations are exposed to the secondary effects of trade disputes and protectionist measures, including increased duties, taxes and other costs that may be passed on to travelers or that may raise our own operating expenses in certain jurisdictions.

Deterioration in economic relations among countries may also trigger foreign exchange volatility, restrict access to certain currencies or limit our ability to repatriate profits from overseas operations. Such conditions may increase the cost of doing business internationally and complicate our financial planning and capital management. In addition, economic sanctions targeting specific countries, entities or individuals could require us to suspend or modify our service offerings in affected destinations, screen our customers and counterparties more rigorously and incur additional compliance costs. Any failure to comply with applicable sanctions laws could expose us to fines, penalties and reputational harm.

Trade-related measures and sanctions regimes continue to evolve, and their scope, interpretation and enforcement may change in ways that are difficult to predict. If trade tensions escalate or new sanctions are imposed that affect our key markets, demand for our services could decline, our costs could rise and our ability to operate in certain jurisdictions could be restricted. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

**We may fail to maintain or improve our market position or respond successfully to changes in the competitive landscape.**

We may face competition both in China and internationally for our destination management services. Additional competitors with significant market presence and financial resources may enter the markets in which we operate, and thereby intensify competition. These competitors may be able to reduce our market share by adopting more aggressive pricing policies than we can or by developing technologies and services that gain wider market acceptance than our services. Existing and potential competitors may also develop relationships with our customers in a manner that could significantly harm our ability to sell, market and develop our services. If we fail to maintain or improve our market position or fail to respond successfully to changes in the competitive landscape, our business, results of operations and financial condition may be materially adversely affected.

**Failure to enhance our brand recognition and sales and marketing capabilities could harm our ability to expand our business operations and increase our customer base, and adversely affect our business, results of operations, financial condition and prospects.**

We believe that maintaining and enhancing our brand is important to continued market acceptance of our existing and future services, attracting new customers, retaining existing customers, and successfully executing our growth strategies. We also believe that the importance of brand recognition will increase as competition in our market increases. Successfully maintaining and enhancing our brand recognition will depend largely on the effectiveness of our marketing efforts, our ability to provide reliable services that continue to meet the needs of our customers at competitive prices, our ability to maintain our customers' trust, and our ability to successfully differentiate our services from competitive ones. However, our efforts may not always be successful or yield increased revenue.

Moreover, the promotion of our brand also requires us to make expenditures, and we expect that the absolute amount of these expenditures will increase as the market becomes more competitive. Our selling and distribution expenses were RMB49.0 million, RMB94.6 million and RMB135.3 million in 2023, 2024 and 2025, respectively, representing 6.2%, 5.9% and 6.3% of our revenue for the same periods, respectively. To the extent that our sales and marketing activities increase revenue, the increase in revenue still may not necessarily be sufficient to offset the expenditures we incur. We may also be unable to hire and train sufficient numbers of qualified sales personnel or ensure the productivity of our sales personnel in acquiring new customers or cross selling to our existing customers. If we do not successfully maintain and enhance our brand and ensure the effectiveness of our sales and marketing efforts, our ability to expand our customer base may be impaired, which would then adversely affect our business, results of operations and financial condition.

**We face risks associated with our cross-border related-party transactions and transfer pricing arrangements, which could result in additional tax liabilities or penalties.**

We operate in multiple jurisdictions and engage in cross-border related-party transactions. If any tax authority challenges our transfer pricing arrangements, we may be subject to transfer pricing adjustments, which could result in additional tax liabilities, interest and penalties. We are also required to maintain transfer pricing documentation in compliance with local laws, and failure to maintain adequate documentation or delays in providing such documentation could expose us to penalties and increase our exposure to risks related to transfer pricing adjustments.

Our transfer pricing policies are subject to periodic review and may need to be updated to reflect changes in our business operations or applicable regulations. Any failure to adapt our transfer pricing arrangements in a timely manner could increase our tax risk exposure. As we expand our global operations, our transfer pricing arrangements will become more complex, and there can be no assurance that our existing policies will remain appropriate for our expanded operations or that we will be able to effectively manage the associated tax risks.

**Future acquisitions, strategic investments, partnerships or alliances could be difficult to identify and integrate, divert management resources, result in unanticipated costs or dilute our Shareholders.**

We intend to selectively pursue strategic alliance, investment and acquisition opportunities to strengthen our global competitiveness in the destination management services market. We also intend to expand our operations into overseas markets, where we may face uncertainties relating to local laws and regulations, geopolitical tensions and cross-border operational complexities. We will evaluate and execute alliance, investment and acquisition opportunities that complement and scale up our business, optimize our profitability, help us penetrate high-growing sectors, and add new capabilities to our company. However, we may have limited experience in making such acquisitions and we may not be able to find suitable acquisition candidates or complete acquisitions on favorable terms, if at all. Even if we complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisition we complete could be viewed negatively by customers or investors. We may also engage in other forms of business collaborations and relationships in the future, including strategic investments, partnerships and alliances. Negotiating such transactions can be time consuming, difficult and costly, and our ability to close these transactions may be subject to third party approvals, such as government regulatory approvals. We cannot assure you that these transactions will close or will lead to commercial benefit for us.

In addition, we may not be able to integrate acquired businesses successfully or effectively manage the combined company or our collaborations. If we fail to successfully integrate our acquisitions, or the people or technologies associated with those acquisitions, into our company, the results of operations of the combined company could be adversely affected. Any integration process will require significant time and resources, require significant attention from management, and disrupt the ordinary functioning of our business. We may ultimately fail to realize the potential cost savings or other financial benefits or the strategic benefits of the acquisitions. Furthermore, an acquisition could also materially impair our results of operations by causing us to incur debt or requiring us to amortize acquired intangible assets. We may also discover deficiencies in internal controls, data adequacy and integrity and regulatory compliance, as well as legal or contractual liabilities in businesses we acquire which we did not uncover prior to such acquisition. Therefore, we may become subject to penalties, lawsuits or other liabilities. Any difficulties in the integration of acquired businesses or technologies or unexpected penalties, lawsuits or liabilities in connection with such businesses or technologies could have a material adverse effect on our business, results of operations and financial condition.

In connection with the foregoing strategic transactions, we may issue additional equity securities that would dilute our Shareholders, use cash that we may need in the future to operate our business and incur substantial debts and liabilities. Such strategic transactions may also subject us to legal and regulatory scrutiny and increase our compliance costs. As a result, our business, results of operations and financial condition may be adversely affected.

**We may face risks associated with unsatisfactory performance of our services.**

Our services may expose us to potential claims if they fail to perform as expected, or if their use causes, results in or is alleged to have caused or resulted in damages or other adverse effects. If our services do not meet specifications or requirements enforced by domestic or overseas regulators or requested by our customers (as the case may be), we may be subject to claims or litigation. Any claim, regardless of whether relating to damages or related regulatory actions could prove costly and time consuming to defend and could potentially prejudice our brand reputation and our relationship with our customers. If successful, claims may require us to pay substantial damages. Furthermore, certain claims may be the result of defects or failures from third-party suppliers. Such third-party suppliers may not indemnify us for such failures or would only provide us with limited indemnification that is insufficient to cover our damages resulting from the claim. Any claim, either with or without merit, may also result in significant negative publicity and thus materially and adversely affect the marketability of our services and our reputation, our relationship with customers, as well as our business, results of operations and financial condition.

**We may not be successful in maintaining an effective quality control system.**

The performance, quality and reliability of our services are critical to our customers and our success. We have established and maintained stringent quality assurance standards and inspection procedures, including quality control with respect to the selection and monitoring of third-party suppliers. We have implemented a comprehensive quality control system covering our service delivery processes. See "Business—Quality Control." However, the effectiveness of our quality control system is determined by various factors, including the design of the system, implementation of quality standards, quality of training programs and our employees' adherence to our quality control policies and guidelines. If we fail to maintain an effective or adequate quality control system, we may deliver unsatisfactory services that would expose us to claims which may include compensation and liability. Any such claim, regardless of whether it is ultimately successful, could cause us to incur significant costs, prejudice our business reputation and result in significant disruption to our operations. Furthermore, if any such claim is ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our results of operations and financial condition.

**We collect, process and transfer personal data across multiple jurisdictions. Any failure to comply with applicable data protection and privacy laws, or any breach of the data we hold, could materially and adversely affect our business, reputation, results of operations and financial condition.**

We collect and process a significant volume of personal data in the course of our business operations. The data we handle mainly includes necessary information relevant to the provision of our destination management services, such as passport details, nationalities, dates of birth, travel itineraries, accommodation preferences, dietary requirements and other special travel-related requirements. We also collect and process personal data relating to our employees and business partners across the multiple jurisdictions in which we operate. The nature and volume of data we process expose us to a complex and evolving framework of data protection and privacy laws in the countries and regions where we do business.

Our operations span Europe, North America, Asia, Africa and Oceania, and we are subject to the data protection regimes in each of these jurisdictions. The European Union's General Data Protection Regulation (the "GDPR"), imposes stringent requirements on entities that process personal data of individuals in the EU, including in some circumstances where the processing takes place outside the EU. The GDPR mandates, among other things, a valid legal basis for processing, transparent notices to individuals, data minimization, purpose limitation, storage limitation, data subject access rights, data breach notification obligations, restrictions on cross-border data transfers, and the appointment of data protection officers. In China, the Personal Information Protection Law (the "PIPL"), together with the Data Security Law and the Cybersecurity Law, establishes a comprehensive framework governing the collection, use, storage and transfer of personal information and data within and outside China. The PIPL imposes obligations similar in scope to the GDPR and provides for significant penalties for violations, including fines, suspension of business operations and personal liability for responsible individuals. Other jurisdictions in which we operate, including countries in Southeast Asia and North America, have also enacted or are in the process of introducing data protection legislation, some of which includes cross-border transfer restrictions and mandatory localization requirements.

We transfer personal data across borders in the ordinary course of our business. For example, we may transfer customer data from a source market to a destination market to facilitate bookings and on-the-ground service delivery. Cross-border data transfers are subject to particular regulatory scrutiny, and the legal mechanisms on which we rely to legitimize such transfers, such as standard contractual clauses and data subject consent, may be challenged, invalidated or subject to additional requirements by regulators or courts. If any of our cross-border data transfer mechanisms were found inadequate, we could be required to suspend or restructure certain data flows, which could disrupt our operations and increase our costs.

We also rely on third-party suppliers and service providers, including accommodation providers, transportation providers, technology vendors and cloud service providers, many of whom have access to personal data we collect. These third parties may operate under their own data protection obligations, and we generally do not have direct control over their data processing activities. A data breach, non-compliance or unauthorized use of data by any of these third parties could expose us to regulatory action, contractual claims and reputational harm.

Despite the technical and organizational measures we have implemented to protect the personal data we hold, we cannot guarantee that these measures will prevent all security breaches, cyberattacks, system failures, human errors or other incidents that could result in unauthorized access to, or disclosure, alteration or loss of, personal data. A material data breach could result in significant remediation costs, regulatory investigations and penalties, litigation, and loss of customer and business partner confidence. Any of these outcomes could materially and adversely affect our business, reputation, results of operations and financial condition.

In addition, legal and regulatory landscape for data protection continues to evolve rapidly. New laws, regulations and regulatory guidance may be introduced in the jurisdictions where we operate, and existing laws may be amended in ways that increase our compliance obligations. We may need to devote substantial management attention and financial resources to monitoring and adapting to these developments. Any failure to comply with applicable data protection and privacy laws, even if inadvertent, could result in substantial fines, legal liability, operational restrictions and reputational damage, any of which could have a material adverse effect on our business, results of operations and financial condition.

**If we experience operational disruption or failure in our service delivery systems, our ability to serve customers may be adversely affected.**

Our success and reputation depend on our ability to deliver quality services to our customers on time and as scheduled, which in turn relies on the proper and reliable functioning of our service delivery processes, including our booking systems, supplier management and ground operations. Any operational disruption could directly impact our ability to meet customer bookings in a timely manner, thus affecting customer satisfaction.

Operational disruptions may arise from unexpected incidents or catastrophic events, including natural disasters, fires, technical or mechanical failures, power shortages, explosions, labor strikes, epidemics, loss of licenses, certifications or permits, changes in governmental planning, and regulatory developments. Additionally, instability or shortages in transportation or accommodation supply could halt our service delivery, causing delays in fulfilling customer bookings. In the event of such disruptions, maintaining service volumes and ensuring sufficient capacity to meet customer demands could be challenging. Identifying and securing alternative suppliers or facilities in a timely and cost-effective manner may not always be feasible. Delays in resuming normal operations could also affect the quality and schedule of service deliveries, potentially impacting customer satisfaction and damaging our reputation. Any prolonged suspension of operations or significant disruptions in our service delivery processes could materially and adversely affect our business operations.

**If we experience increases in labor costs, shortage of labor or deterioration in labor relations, our operating costs may be affected.**

Labor costs have been fluctuating and may rise in the future. Our labor costs accounted for 2.9%, 2.3% and 2.1% of our total cost of sales in 2023, 2024 and 2025. Labor cost increases may cause our operating costs to increase, and we may not be able to pass on such increase to our customers. We also cannot assure you that we will not experience any shortage of labor. Any such shortage could hinder our ability to maintain our service delivery schedules and maintain or expand our business operations, which could materially and adversely affect our business, results of operations, financial condition and prospects.

We seek to maintain favorable labor relations with our employees as we believe that our long term growth depends on the expertise, experience and development of our employees. For details of our employee training efforts and welfare, see "Business—Employees." However, we cannot assure you that we will not have any labor disputes in the future. Any deterioration of our labor relations could result in disputes, strikes, claims, legal proceedings and reputational damage, labor shortages that disrupt our business operations, as well as loss of experience, know how and trade secrets.

**If we are not able to fully comply with present or future environmental, safety and occupational health laws and regulations, our business, results of operations and financial condition may be adversely affected.**

Our business is subject to certain laws and regulations relating to environmental, safety and occupational health matters in the multiple jurisdictions where we operate, including those governing the safety of our customers during the delivery of our travel services, the occupational health and safety of our employees, and the environmental impact of our operations and those of our third-party suppliers. Under these laws and regulations, we are required to maintain safe working conditions for our employees, take reasonable measures to protect the health and safety of travelers to whom we provide services, and comply with environmental requirements applicable to our operations and our supply chain. However, we cannot assure you that we will not experience any material accidents or worker injuries in the course of our operations in the future, or any incidents involving the health or safety of our customers, or that our risk management measures could effectively mitigate the relevant risks and help us navigate the complex and evolving regulatory environment. Regulatory requirements relating to health and safety also extend to our selection and oversight of third-party suppliers, such as accommodation, transportation and activity providers. Any failure by these suppliers to comply with applicable laws and regulations could expose us to legal liability, regulatory action and reputational harm. Changes in existing ESG-related laws and regulations or the promulgation of new ESG-related laws and regulations may increase our compliance costs, and if we fail to comply with such ESG-related laws and regulations, our business, results of operations and financial condition may be adversely affected.

We are also subject to environmental laws and regulations in the destinations where we operate, including those relating to waste management, the protection of natural and cultural heritage sites, and, increasingly, carbon emissions and climate-related disclosure requirements. Non-compliance with such laws and regulations, or any failure by our suppliers to comply, may give rise to liabilities that require us to incur remediation costs, pay fines or face operational restrictions. In addition, climate-related regulatory developments, such as the introduction of carbon taxes on aviation or accommodation, may increase the costs of travel elements we procure, which we may not be able to pass on to our customers. Should the authorities impose stricter environmental protection standards and regulations in the future, we cannot assure you that we will be able to comply with such new regulations at reasonable costs, or at all. Any increase in operating costs resulting from the implementation of additional environmental protection measures or failure to comply with new environmental or safety laws or regulations may have a material adverse effect on our business, results of operations and financial condition.

**Our business may be subject to seasonal effects, and any disruption of business during any particular season could adversely affect our liquidity and results of operations.**

We experience seasonal fluctuations in our revenue due to the inherent nature of the destination management services industry. Sales of our destination management services are generally higher during major holidays and summer vacation, which is primarily because certain of our customers tend to schedule their travel during these periods. These holidays include the Chinese New Year holiday, the Labor Day holiday, the National Day holiday, summer holidays and Christmas. In contrast, the first quarter is usually our low season, due to the winter holidays in our source markets, including China, Europe and the United States, which reduce outbound travel demand during that period.

The degree of seasonality varies across our destination markets and could also vary from time to time due to conditions in the industry, the demand of our customers, and other factors over which we have limited control. For example, European destinations experience peak demand during the summer months (June to August). To the extent there are any significant seasonal fluctuations different from our prior experience, we must arrange for relevant supplies and service capacity in an effective manner to ensure we can dynamically meet the market demand. Any disruption in our ability to manage seasonal peaks could lead to lost revenue opportunities, underutilized capacity during off-peak periods, and adverse effects on our liquidity and results of operations.

**We are subject to credit risks related to our customers, and any significant default or delay in settlement of our trade receivables may affect our business, prospects, results of operations and financial condition.**

We are exposed to credit risks related to our customers. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB114.8 million, RMB152.7 million and RMB217.3 million, respectively, and our net trade receivables after loss allowance were RMB99.5 million, RMB140.7 million and RMB201.7 million, respectively. Our loss allowance for trade receivables was RMB15.3 million, RMB11.9 million and RMB15.6 million as of December 31, 2023, 2024 and 2025, respectively. We recorded reversal of impairment losses on trade and other receivables of RMB20.6 million and RMB0.9 million in 2023 and 2024, respectively, and impairment losses on trade and other receivables of RMB5.9 million in 2025. See "Financial Information—Discussion of Major Balance Sheet Items—Assets—Trade and other receivables." Despite the fact that we have taken stringent internal measures to enhance the management and collection of trade receivables, if any of our customers experience financial difficulties in settling the trade receivables due to factors beyond their control such as adverse changes in the competitive landscape and government policies of the industries in which they operate, our corresponding trade receivables recoverability might be adversely affected. Our trade receivable balance may continue to grow alongside our normal course of business, which may increase our risks for uncollectible receivables. If we are unable to collect our trade receivables from our customers in a timely manner per contractual terms or at all, or if there are any material delays in payment by our customers, our liquidity and cash management will be materially and adversely affected, which, in turn, might affect our business, results of operations and financial condition.

Our ability to meet our financial obligations largely depends on the ability of our customers to fulfill their payment obligations to us. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. If we encounter difficulties in generating sufficient cash to repay our outstanding financial liabilities, our liquidity, business, results of operations and financial condition may be adversely affected, and we may not be able to expand our business.

**We are exposed to risks associated with our investments, such as fair value changes, valuation uncertainties and counterparty risks.**

During the Track Record Period, we made several types of financial investments to preserve and increase the return on our funds, as well as certain strategic investments that synergize with our business. Our financial investments during the Track Record Period primarily consisted of financial assets measured at fair value through profit or loss ("FVPL"), which primarily represented wealth management products issued by banks and equity securities listed in the PRC and amounted to RMB2.8 million, RMB12.5 million and RMB2.4 million as of December 31, 2023, 2024 and 2025, respectively. Our strategic investments during the Track Record Period primarily consisted of investment in associates, which represented our equity interest in the unlisted company HISEAS INTERNATIONAL CO., LTD. (泰國遠海) and amounted to RMB0.2 million, RMB0.2 million and RMB0.4 million as of December 31, 2023, 2024 and 2025, respectively. For details of each of the investments, see "Financial Information—Discussion of Major Balance Sheet Items—Assets—Financial assets measured at FVPL" and "Financial Information—Discussion of Major Balance Sheet Items—Assets—Investment in associates."

Our investments are subject to the risks that any of our counterparties may not perform their contractual obligations, such as in the event that any such counterparty becomes insolvent or declares bankruptcy, which could materially and adversely affect our financial position and cash flow. Furthermore, for those investments measured at fair value, we cannot assure you that market conditions and regulatory environment will create fair value gains on such products we invest in or we will not incur any fair value losses on such investments in the future. If we incur fair value losses, our results of operations and financial condition may be adversely affected.

The fair value measurement of our relevant investments involves the exercise of professional judgment and the use of certain bases, assumptions and observable or unobservable inputs, which, by their nature, could be uncertain. Changes in estimates and judgments could affect their fair value, which in turn may adversely affect our results of operations and financial condition.

Our investments in associates may also subject us to risks typically associated with strategic investments. Our results of operations could be affected by the financial results of such investees. The failure to generate financial results commensurate with investments may also result in impairment losses. In addition, these investments may not be as liquid as compared with other types of investments. Furthermore, if our investees have views or interests that conflict with us, or if we have a disagreement with them as to the resolution of a particular issue pertaining to it, or as to the management or operations of its business in general, we may not be able to resolve such disagreement in our favor.

**The discontinuation of any preferential tax treatment available to us in the jurisdictions where we operate could adversely affect our results of operations and financial condition.**

We are subject to periodic examinations on fulfillment of our tax obligation under the tax laws and regulations of the jurisdictions where we operate. Although we believe that in the past, we have acted in compliance with the requirements under the relevant tax laws and regulations in all material aspects and established effective internal control measures in relation to accounting regularities, we cannot assure you that future examinations by tax authorities would not result in fines, other penalties or action that could adversely affect our business, financial condition and results of operations, as well as our reputation.

We currently enjoy certain preferential tax treatments in jurisdictions where we operate, including reduced corporate income tax rates. These preferential treatments are subject to meeting specific conditions under applicable laws and regulations, and may be revoked or modified by the relevant tax authorities. In the event that any of these preferential tax treatments are discontinued, reduced, or we are found not to have satisfied the eligibility criteria, our tax liabilities could increase, which would have a material adverse effect on our results of operations and financial condition. There is no assurance that we will continue to be qualified to enjoy any preferential tax treatments, or that such treatments will not change in the future.

**We historically received government grants and we may not receive such grants or subsidies in the future.**

We have received government grants in relation to government subsidies received from various government organizations for the operation of our Group. We recognized government grants of RMB0.2 million, RMB0.2 million and RMB0.3 million in 2023, 2024 and 2025, respectively. However, these policies may be subject to changes that are beyond our control. We cannot assure you that favorable government policies will continue. In addition, the timing, amount and conditions of government grants are within the sole discretion of the governmental authorities. Governmental authorities may require us to perform certain contractual obligations before we could receive such grants, and we cannot assure you that we could always fully satisfy these conditions or perform the obligations. In such cases, the governmental authorities may cease providing subsidies to us or even require us to repay part of the government subsidies we previously received. Any reduction, elimination, repayment or other negative trends in government grants could adversely affect our business, results of operations and financial condition.

**We may fail to obtain or maintain all required licenses, permits and approvals to operate our business.**

Our business and operations have been subject to extensive regulations. We are required to obtain and maintain applicable licenses, permits and approvals from different regulatory authorities in order to conduct our existing or future business. As considerable uncertainties could exist with respect to the interpretation and implementation of existing and future laws and regulations governing our business activities, we cannot assure you that we have obtained all the approvals, permits or licenses required for conducting our business in the jurisdictions where we operate, or will be able to maintain our existing approvals, permits or licenses or obtain new ones. The government authorities may require us to obtain additional licenses, permits or approvals so that we can continue to operate our existing or future businesses or otherwise prohibit our operations of the types of businesses to which the new requirements apply. In addition, new regulations or new interpretations of existing regulations may increase our costs of doing business and prevent us from efficiently delivering services and expose us to potential penalties and fines. Lastly, our existing licenses may expire without proper renewal or be revoked due to violations of relevant licensure maintenance requirements. If any of our entities is deemed by governmental authorities to be operating without appropriate permits and licenses or outside of their authorized scopes of business or otherwise fail to comply with relevant laws and regulations, we may be subject to penalties and our business, results of operation and financial condition may be materially and adversely affected.

**We face certain legal and regulatory risks relating to labor related laws and regulations, which may adversely affect our business, results of operations and financial condition.**

Pursuant to the relevant PRC laws and regulations in the jurisdictions where we operate, we are obligated to contribute to social insurance and housing provident funds or similar statutory benefits for our employees. During the Track Record Period, we did not make adequate contributions and housing provident fund for certain employees in some jurisdictions. We estimate that the shortfall of social insurance contributions and housing provident fund in 2023, 2024 and 2025 was RMB4.3 million, RMB5.5 million and RMB10.1 million, respectively. As advised by our PRC Legal Advisor, if any of the relevant social insurance authorities is of the view that the social insurance contributions we made for our employees do not comply with the requirements under the relevant laws and regulations, it may order us to pay the outstanding balance within a prescribed time period plus a late fee. If we fail to do so within the prescribed period as requested by the relevant authorities, we may be subject to a fine. In addition, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident funds do not satisfy the requirements under the relevant laws and regulations, it may order us to pay the outstanding balance within a prescribed period. If we fail to do so within the prescribed period, the relevant authority may apply to a court for an order of mandatory payment.

During the Track Record Period, no material administrative action, fine or penalty had been imposed by relevant regulatory authorities with respect to our social insurance or housing provident fund contributions. In addition, we did not receive any notice from judicial or administrative authorities on any material claim from our current and former employees regarding any inadequate contributions. As advised by our PRC Legal Advisor, although we failed to make social insurance and housing provident fund contributions for certain employees in full compliance with applicable PRC laws and regulations during the Track Record Period, in the absence of any material employee claims, any inspection or random check by competent authorities, and significant changes in the current policies, regulations, regulatory practices and implementation requirements regarding social insurance and housing fund contributions, the likelihood that we would be required by competent authorities to pay or make up the shortfalls in social insurance and housing provident fund contributions, or be subject to material administrative penalties due to failure to make full contributions, or the possibility of us being required to settle historical outstanding social insurance and housing provident funds, is remote. See "Business—Employees" for details. As a result, we did not make any provisions in connection with the foregoing incident during the Track Record Period and up to the Latest Practicable Date. However, we cannot assure you that the relevant government authorities will not require us to pay the shortfall and late fees or impose fines on us, in which case our business, results of operations and financial condition could be adversely affected.

**Failure to protect our leasehold interests could adversely affect our business operations.**

As of the Latest Practicable Date, we were unable to file the lease agreements for registration with respect to 14 of our leased properties in China due to the difficulty of procuring our lessors' cooperation to register such leases. If these lessors are not the legal owners or have not obtained the proper authorization from the legal owners of such premises, the legal owners of such premises or third-party tenants that have leased from the legal owners will have ground to challenge the validity of our leasehold interest in the affected premises. Under the relevant PRC laws and regulations, the parties to a lease agreement have the obligation to register and file the executed lease agreement. As advised by our PRC Legal Advisor, the validity and enforceability of the lease agreements are not affected by the failure to register or file the lease agreements with the relevant government authorities. According to the relevant PRC regulations, we may be ordered by the relevant government authorities to register the relevant lease agreements within a prescribed period, and we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to comply. If any of our leases are terminated or voided as a result of challenges from third parties or government agencies, we would need to seek alternative premises and incur relocation costs.

**Failure to comply with laws and regulations applicable to our business could subject us to fines and penalties and could also cause us to lose customers or otherwise harm our business.**

Our business is subject to regulation by various governmental agencies in the jurisdictions where we operate, including agencies responsible for monitoring and enforcing compliance with various legal obligations, such as tourism and travel agencies laws, environment related laws and regulations, intellectual property laws, employment and labor laws, trade laws, import and export controls, anti corruption and anti bribery laws, and tax laws and regulations. In certain jurisdictions, these regulatory requirements may be different or more stringent than in China. These laws and regulations may increase our compliance costs. Non compliance with applicable regulations or requirements may subject us to negative consequences, including: (1) investigations, enforcement actions, and sanctions; (2) mandatory changes to our offerings; (3) monetary damages and fines; (4) civil and criminal penalties or injunctions; (5) termination of contracts; (6) loss of intellectual property rights; and (7) failure to obtain, maintain or renew certain licenses, approvals and permits.

Responding to any action will likely result in a significant diversion of our management's attention and resources and incur significant costs. If we fail to comply with relevant laws and regulations, or if we fail to defend ourselves in relevant legal or administrative proceedings, our business, results of operations and financial condition could be adversely affected.

**We are exposed to risks relating to the retention of our senior management, as well as our ability to attract and retain qualified and experienced employees.**

Our continued success is highly dependent upon the efforts of our senior management and other key employees. If either of them or any of our other key employees leaves and we are unable to promptly hire and integrate a qualified replacement, our business, results of operations and financial position may be adversely affected. In addition, the future growth of our business will depend in part on our ability to attract and retain qualified personnel in all aspects of our business. However, competition to hire highly qualified personnel is intense and we cannot guarantee that we will be able to meet our staffing needs in the future. If we are unable to attract and retain these qualified personnel, our growth may be limited and our business, financial position and operating results could be adversely affected.

**We may need additional capital for business growth, service offering development and marketing efforts. If we are unable to raise capital in a timely manner or on acceptable terms, or at all, we could incur losses and be forced to delay, reduce or eliminate such efforts.**

We may require additional capital beyond that generated by the operating activities from time to time to carry out business development activities, grow our business and better serve our customers, among other things. Accordingly, we may need to issue additional equity or debt securities or obtain a credit facility. Future issuances of equity or equity linked securities could significantly dilute our existing shareholders, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our H Shares. The incurrence of debt financing would result in increased debt service obligations and could result in operating and financing covenants that would restrict our operations or our ability to pay dividends to our shareholders. Our ability to maintain or obtain additional capital in a timely manner or on commercially acceptable terms is subject to various factors, including general market conditions for capital raising activities by our peers as well as economic, political and other conditions in China, Hong Kong and globally. If we are unable to obtain adequate financing on terms satisfactory to us when we require it, our ability to continue to support our business growth could be significantly impaired, and our business and prospects may be adversely affected.

**We may not be able to adequately protect our intellectual property rights, and we may be exposed to claims that we infringe, misappropriate or otherwise violate the intellectual property rights of third parties. Any of these outcomes could undermine our competitive position, result in substantial costs and damages, and materially and adversely affect our business, results of operations and financial condition.**

We rely on a combination of trademark, copyright, trade secret and other intellectual property laws to protect our intellectual property rights. However, this protection may be inadequate. For example, our trade secrets or know-how could leak, become known to or be independently developed by competitors, and our pending or future trademark applications may not be registered or approved, or even if allowed, they may not provide sufficient strength or scope to protect our intellectual property. As a result, third parties may challenge our intellectual property or use the proprietary processes and know-how that we have developed and compete with us, which could undermine our competitive advantage, dilute our brand and materially and adversely affect our business, results of operations and financial condition. In addition, policing the unauthorized use of our proprietary technology and know-how can be difficult and expensive.

Our success also depends on our ability to use and develop our technology, know-how and service designs without infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties. Companies operating in our industry routinely seek intellectual property protection for their service designs, and many of our principal competitors have larger intellectual property portfolios than we do. Whether a service infringes a trademark, copyright or other intellectual property right involves an analysis of complex legal and factual issues, the determination of which is often uncertain. In addition, our competitors may make filings for intellectual property protection that are not yet publicly available and which our new services may inadvertently infringe. There may also be technologies or content licensed to and relied on by us that are subject to infringement or other similar allegations by third parties, which could damage our ability to rely on such technologies. Our employees could have used third parties' proprietary know-how or trade secrets during their employment with us, which could result in litigation against us. Furthermore, although we endeavour to ensure that companies that work with us possess appropriate intellectual property rights or licenses, we cannot fully avoid the risk of intellectual property infringement arising from suppliers or from parties with whom we collaborate on cooperative development activities.

From time to time, we may be subject to legal proceedings and claims alleging infringement of trademarks or copyrights, misappropriation of trade secrets or creative ideas or formats, or other violation of proprietary intellectual property rights. The defense of such claims, and related legal and administrative proceedings, can be both costly and time-consuming and may significantly divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceeding could force us to pay substantial damages, seek licenses from third parties, pay ongoing royalties, or redesign our services, or could subject us to injunctions barring us from using certain aspects of our know-how and business processes or from developing and providing certain services. Any of these outcomes could reduce our profit margins, effectively prevent us from pursuing some of our business activities, and cause our customers or potential customers to defer, cancel or limit their purchase or use of our services.

If we are unable to protect our intellectual property adequately, or if we are found to have infringed, misappropriated or otherwise violated the intellectual property rights of third parties, our business, results of operations and financial condition could be materially and adversely affected.

**The insurance coverage we have may not adequately protect us against all operating risks.**

Our business is subject to a variety of operational risks, including but not limited to operational disruptions due to human errors, power outages, equipment failures and suspension due to other risks; operational restrictions imposed by environmental or other regulatory requirements; social, political and labor unrest, environmental or industrial accidents and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we may further expand our operations in overseas markets in the future, we may be exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, damage to or destruction of our assets, personal injury or casualties, environmental damage, monetary loss and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities.

Despite the fact that we purchase statutory social insurance and the necessary insurance types in accordance with relevant laws and our assets, employee safety and other applicable items/risks are covered by commercial insurance after risk assessment and management team approval, we may not have adequate or full business liability, interruption or litigation insurance coverage for our operational risks in the jurisdictions where we operate. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, prospects, results of operations and financial condition may be materially and adversely affected.

**We may be involved in legal and other disputes and claims from time to time arising from our operations and any litigation, legal and contractual disputes, claims or administrative proceedings against us and any failure to comply with relevant laws and regulations may expose us to legal risks.**

We may be, from time to time, involved in litigation, other legal proceedings or disputes with our employees, suppliers or customers during the ordinary course of business operations related to, among other things, our services and other types of liability, labor disputes or contractual disputes. All of these disputes and claims may lead to legal or other proceedings or cause negative publicity against us, thereby resulting in damage to our reputation, substantial costs and diversion of resources and management's attention from our business activities. In addition, we may encounter additional compliance issues in the course of our operations, which may subject us to administrative proceedings and unfavorable results, and result in liabilities and delays relating to our service delivery. We cannot assure you as to the outcome of such legal proceedings, and any negative outcome may materially and adversely affect our reputation, business, prospects, results of operations and financial condition.

**We may be the subject of unfair competition, harassing or other detrimental conduct by third parties including complaints to regulatory authorities, negative social media postings and the public dissemination of malicious statements related to us that could harm our reputation and affect our business operations.**

As an established brand, our image is sensitive to the customers' perception of us as a business in entirety, which includes not only the quality our services, but also our corporate management and culture. We cannot guarantee that we may not be the subject of unfair competition, harassment, or other detrimental conduct by third parties. Such conduct includes complaints to regulatory authorities, negative social media postings, and malicious assessments against us. We may be subject to government or regulatory investigation as a result of such third party conduct and may be required to spend significant time and incur substantial costs to address such third party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time. Additionally, allegations against us, may be disseminated by anyone, whether or not related to us. Social media often publish such content without verifying the accuracy of the content posted and without affording us an opportunity for redress or correction. Although we had promptly taken clarification or rectification measures when we faced negative publicity in the past, it cannot be assured that such measures will always be effective in the future. Any such detrimental conduct against our Company, Directors, employees, spokespersons or services, regardless of veracity, could harm our reputation, or lead to potential loss of consumer confidence or difficulty in retaining or recruiting talents that are essential to our business operations. As a result, our business, results of operations, financial condition, reputation and prospects may be materially and adversely affected.

**We may fail to maintain effective internal control measures.**

We have implemented various measures to improve our internal control. However, our internal control measures are subject to continuous evaluation and improvement, there can be no assurance that all such measures will prove effective or that material deficiencies in our internal control measures will not be discovered in the future. Our efforts to improve our internal control measures have required, and may still require in the future, increased costs and significant management time and commitment. If we fail to maintain effective internal control measures, our business, results of operations, financial condition or reputation may be materially and adversely affected.

**We may not be able to detect or prevent fraud or other misconduct committed by our employees, agents, suppliers, customers or other third parties.**

We may be exposed to fraud or other misconduct committed by our employees, agents, suppliers, customers or other third parties that could not only subject us to financial losses and sanctions imposed by governmental authorities but also adversely affect our reputation. Such misconduct could include: hiding unauthorized or unsuccessful activities, resulting in unknown and unmanaged risks or losses; intentionally concealing material facts, or failing to perform necessary due diligence procedures designed to identify potential risks, which are material to our decision making processes; improperly using or disclosing confidential information; engaging in improper activities such as offering bribes to counterparties in return for any type of benefit or gain; misappropriation of funds; conducting transactions that exceed authorized limits; engaging in misrepresentation or fraudulent, deceptive or otherwise improper activities; engaging in smuggling, embezzlement, theft or other criminal activities; engaging in unauthorized or excessive transactions to the detriment of our customers; or otherwise not complying with applicable laws or our internal policies and procedures.

Our internal control measures are designed to monitor our operations and ensure overall compliance. However, our internal control measures may be unable to identify all incidents of non compliance or suspicious transactions in a timely manner or at all. Furthermore, it is not always possible to detect and prevent fraud and other misconduct, especially those committed by suppliers or other third parties, and the precautions we take to prevent and detect such activities may not be effective. There is no guarantee that fraud or other misconduct will not occur in the future. If such fraud or other misconduct does occur, it may cause negative publicity as a result. The failure to detect and prevent fraud and other misconduct may have a material adverse effect on our reputation, business, results of operations and financial condition.

**Our Controlling Shareholders have substantial influence over our Company.**

Our Controlling Shareholders have substantial influence over our business, including matters relating to our management, policies and decisions regarding mergers, expansion plans, consolidations and sales of all or substantially all of our assets, election of Directors and other significant corporate actions. Immediately after the completion of the **[REDACTED]**, without taking into account any H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**, our Controlling Shareholders will collectively hold approximately **[REDACTED]**% of the enlarged share capital of our Company. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive other Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and might reduce the price of our Shares. In addition, our Controlling Shareholders may exercise their substantial influence over us and cause us to enter into transactions or take, or fail to take, actions or make decisions that conflict with the best interests of our other Shareholders.

## RISKS RELATING TO CONDUCTING BUSINESS IN JURISDICTIONS WHERE WE OPERATE

**Any changes to the social and economic policies, regulatory landscape or any unforeseen regulatory regime in any jurisdiction in which we operate could adversely affect our business, financial condition and results of operations.**

The operations of our businesses are mainly subject to applicable laws, rules regulations at the national and regional levels in the jurisdiction where we operate. Such laws, rules and regulations include, but are not limited to, travel agency operations, tourism service standards, consumer protection, labor and employment, data protection, anti-corruption and anti-bribery, foreign investment restrictions, foreign exchange controls and tax. New laws and regulations relevant to our businesses in these markets may be introduced in the future, or the current applicable laws and regulations may be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. Newly promulgated laws and regulations may be subject to further variations in application, interpretation and implementation. We may also be subject to evolving social and economic policies in the jurisdiction where we operate, which may increase the complexity of our operations. There can be no assurance that we can adapt to the evolving regulatory, social and economic environment swiftly enough or in a cost-efficient manner, failure of which may adversely affect our operations and lead to costs.

**Government control of currency conversion and restrictions on the remittance of RMB into and out of China could limit our ability to utilize our revenues effectively, to pay dividends and other obligations, and affect the value of our H Shares.**

The remittance of currency in and out of China is subject to various laws and regulations. Considerable amount of our revenues and expenses are denominated in Renminbi, and the net **[REDACTED]** from the **[REDACTED]** and any dividends we pay on our H Shares will be in Hong Kong dollars. Under China's existing foreign exchange regulations, following the completion of the **[REDACTED]**, we will be able to make current account foreign exchange transactions, without prior approval from the State Administration of Foreign Exchange ("SAFE"), including paying dividends in foreign currencies and through licensed banks for foreign exchange business, by complying with certain procedural requirements. If we cannot fulfill the regulatory requirements over foreign currency conversion to obtain sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our Shareholders.

Foreign exchange transactions under our capital account are subject to foreign exchange controls under relevant regulations and require SAFE's approval. These limitations could affect our ability to obtain foreign exchange through offshore financing.

Furthermore, the net **[REDACTED]** from the **[REDACTED]** are expected to be deposited in currencies other than Renminbi until we obtain necessary approvals from relevant PRC regulatory authorities to convert these **[REDACTED]** into onshore Renminbi. If we cannot convert the net **[REDACTED]** into onshore Renminbi in a timely manner, our ability to deploy these **[REDACTED]** efficiently may be affected as we will not be able to invest these **[REDACTED]** on Renminbi denominated assets onshore or deploy them in uses onshore where Renminbi is required. Further, there is no assurance that new regulations will not be promulgated in the future that would have further requirements on the remittance of Renminbi into or out of mainland China. All of these factors could affect our business, results of operations, financial condition and prospects.

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

Non Chinese resident individual holders of H Shares whose names appear on the register of members of H Shares ("Non Chinese Resident Individual Holders"), are subject to Chinese individual income tax on dividends received from us. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (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(國稅函[2011] 348號)) dated June 28, 2011 and issued by the State Tax Administration (the "SAT"), the tax rate applicable to dividends paid to Non Chinese Resident Individual Holders of H Shares varies from 5% to 20% (usually 10%), depending on whether there is any applicable tax treaty between China and the jurisdiction in which the Non Chinese Resident Individual Holder of H Shares resides, as well as the tax arrangement between China and Hong Kong. Non Chinese Resident Individual Holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20.0% withholding tax on dividends received from us. In addition, under the Individual Income Tax Law of the PRC (中華人民共和國個人所得稅法) (the "Individual Income Tax Law") and its implementation regulations, Non Chinese Resident Individual Holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知) issued by the Ministry of Finance and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. As of the Latest Practicable Date, none of the aforesaid provisions had expressly provided that whether individual income tax shall be levied from non mainland China resident individual holders on the transfer of shares in mainland China resident enterprises listed on overseas stock exchanges. To the best of our knowledge, the Chinese tax authorities have not in practice sought to collect individual income tax on such gains. If such tax is collected in the future, the value of such individual holders' investments in H Shares may be materially and adversely affected.

Under the EIT Law and its implementation regulations, a non Chinese resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to its income sourced from China, including dividends received from a Chinese company and gains derived from the disposition of equity interests in a Chinese company. This rate may be reduced under any special arrangement or applicable treaty between the China and the jurisdiction in which the non Chinese resident enterprise resides. Pursuant to the Circular on Questions Concerning Withholding of Enterprise Income Tax for Dividends Distributed by Resident Enterprises in China to Non resident Enterprises Holding H Shares of the Enterprises (Guo Shui Han [2008] No. 897) (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繳企業所得稅有關問題的通知(國稅函[2008] 897號)) promulgated by the SAT on November 6, 2008, we intend to withhold tax at 10% from dividends payable to non Chinese resident enterprise holders of H Shares (including **[REDACTED]**). Non Chinese resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the Chinese tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the Chinese tax authorities' approval. There are uncertainties as to the interpretation and implementation of the EIT Law and its implementation rules by the Chinese tax authorities, including whether and how enterprise income tax on gains derived upon the sale or other disposition of H Shares will be collected from non Chinese resident enterprise holders of H Shares. If such tax is collected in the future, the value of such non Chinese resident enterprise holders' investments in H Shares may be materially and adversely affected.

**Our ability to continue operating outbound travel business after the [REDACTED] may be subject to regulatory procedures and approvals applicable to foreign-invested travel agencies.**

We currently hold a Travel Agency Business Operation Permit, which allows us to conduct domestic tourism business, outbound tourism business and inbound tourism business. Upon completion of the **[REDACTED]** and the H Share **[REDACTED]**, our newly **[REDACTED]** will be regarded as foreign-invested shares, and we will become a foreign-invested enterprise. As a result, we will be subject to the regulatory requirements applicable to foreign-invested travel agencies in China.

Under the current PRC regulatory regime, foreign-invested travel agencies are generally restricted from operating outbound tourism business for mainland Chinese residents, unless otherwise permitted by the State Council or applicable free trade arrangements. Chengdu High-tech Zone within the China (Sichuan) Pilot Free Trade Zone, where we are registered, is one of the regions where qualified foreign-invested travel agencies are permitted to engage in outbound tourism business other than travel to Taiwan. Based on the current regulatory framework, we expect that, following our conversion into a foreign-invested enterprise as a result of the **[REDACTED]** and the H Share **[REDACTED]**, we will continue to satisfy the conditions for holding the relevant Travel Agency Business Operation Permit. However, we will need to communicate with the relevant tourism authority and complete the change procedures for our Travel Agency Business Operation Permit after our corporate status changes.

There can be no assurance that we will be able to complete such change procedures in a timely manner, or that the relevant authority will not impose additional requirements on us during the process. We also cannot assure you that our business operations during the transition period before the issuance of the updated permit will not be subject to regulatory queries, restrictions or delays. If we fail to complete the required permit change procedures, or if the relevant authority takes a different view on our qualification to continue operating outbound tourism business after we become a foreign-invested enterprise, our ability to conduct outbound tourism business may be affected, which could materially and adversely affect our business, results of operations and financial condition.

**Payment of dividends is subject to restrictions under PRC law.**

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

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

**It may be difficult to effect service of process, enforce foreign judgments or bring original actions against us, our Directors and senior management residing in certain jurisdictions.**

We are a company incorporated under the laws of China, and a substantial majority of our assets are located in China. In addition, most of our Directors and senior management reside within mainland China. As a result, the service of process, investigation, collection of evidence, ratification, and enforcement procedure inside China should follow the rules set forth in the Civil Procedure Law of the People's Republic of China as well as other applicable laws, regulations and interpretations. It would generally require you to commit more time and economic cost. We also maintain operations, assets and local management presence in a number of overseas jurisdictions across Europe, North America, Africa, Asia and Oceania. The rules governing the service of process, recognition and enforcement of foreign judgments vary among these jurisdictions, and investors may encounter differing procedural requirements depending on where our assets or personnel are located at any given time. There can be no assurance that a judgment obtained against us in one jurisdiction will be recognized or enforced in another jurisdiction where enforcement is sought.

On July 14, 2006, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgements 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 (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 "2006 Arrangement"). Pursuant to the 2006 Arrangement, a party with a final judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in China, and vice versa. However, it is subject to the parties in the dispute agreeing to enter into a choice of court agreement in writing under the 2006 Arrangement.

On January 18, 2019, the Supreme People's Court of China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排) (the "2019 Arrangement") and the 2019 Arrangement was issued on January 25, 2024 and became effective on January 29, 2024. The 2019 Arrangement will supersede the 2006 Arrangement and afford greater clarity and certainty for reciprocal recognition and enforcement of judgments in civil and commercial matters. The 2006 Arrangement will remain applicable to a "choice of court agreement in writing" entered into before the 2019 Arrangement taking effect. However, the 2019 Arrangement applies only between mainland China and Hong Kong and does not address the recognition and enforcement of judgments between Hong Kong or mainland China and other jurisdictions where we operate. Accordingly, there remain uncertainties as to the outcome of any specific applications to recognize and enforce foreign judgments and arbitral awards against us, our Directors or senior management, particularly where enforcement is sought across multiple jurisdictions.

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

Under the PRC law, legal documents for corporate transactions, including agreements and contracts are executed using the chop or seal of the signing entity or with the signature of a legal representative whose designation is registered and filed with relevant PRC market regulation administrative authorities. In order to secure the use of our chops and seals, we have established internal control procedures and rules for using these chops and seals. In any event that the chops and seals are intended to be used, the responsible personnel will submit a formal application, which will be verified and approved by authorized employees in accordance with our internal control procedures and rules. In addition, in order to maintain the physical security of our chops, we generally have them stored in secured locations accessible only to authorized employees. The procedures, however, may not be sufficient to prevent all instances of abuse or negligence. There is a risk that our employees could abuse their authority, for example, by entering into a contract not approved by us or seeking to gain control of one of our subsidiaries or our affiliated entities or their subsidiaries. If any employee obtains, misuses or misappropriates our chops and seals or other controlling non tangible assets for whatever reason, we could experience disruption to our normal business operations. We may have to take corporate or legal action, which could involve significant time and resources to resolve and divert management from our operations, and we may not be able to recover our loss due to such misuse or misappropriation if the third party relies on the apparent authority of such employees and acts in good faith.

## RISKS RELATING TO THE [REDACTED]

**An active [REDACTED] for our H Shares may not develop or be sustained.**

Prior to the **[REDACTED]**, there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of **[REDACTED]**. The initial **[REDACTED]** for our H Shares to the public will be the result of negotiations, and the **[REDACTED]** may differ significantly from the market price of the H Shares following the **[REDACTED]**.

We have applied to the Stock Exchange for the **[REDACTED]** of, and permission to **[REDACTED]**, the H Shares (including any H Shares which may be **[REDACTED]** pursuant to the exercise of the **[REDACTED]**). However, the **[REDACTED]** on the Stock Exchange does not guarantee that an active and liquid **[REDACTED]** market for the H Shares will develop, or if it does develop, that it will be sustained following the **[REDACTED]**, or that the market price of the H Shares will not decline following the **[REDACTED]**. If an active public market for our H Shares does not develop following the completion of the **[REDACTED]**, the market price and liquidity of our H Shares could be materially and adversely affected. The following factors may affect the **[REDACTED]** of our H Shares: (1) actual or anticipated fluctuations in our operating performance and revenue; (2) our failure to execute our strategies; (3) an unexpected business interruption resulting from operational breakdowns, natural disasters, or major changes in our key personnel or senior management; (4) adverse market reaction to any indebtedness that we may incur or securities that we may **[REDACTED]** in the future; (5) announcements of competitive developments, acquisitions or strategic alliances in our industry; (6) potential litigation or regulatory investigations; (7) general market conditions or other developments affecting us or our industry; (8) changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our ability to obtain or maintain regulatory approval for our business operations; (9) inadequate protection of our intellectual property rights or legal proceedings brought against us for infringement of third parties' intellectual property rights; (10) the operating and stock price performance of other companies in our industry, and other events or factors beyond our control; and (11) the release of lock up or other transfer restrictions on our **[REDACTED]** H Shares or sales or perceived sales of H Shares by us or other Shareholders.

**The price and [REDACTED] of our H Shares may be volatile, which could materially and adversely affect the [REDACTED] of our H Shares.**

The price and **[REDACTED]** of our H Shares may be subject to significant volatility in response to various factors beyond our control, including the general market conditions of the securities in Hong Kong and elsewhere in the world. The Stock Exchange and other securities markets have, from time to time, experienced significant price and **[REDACTED]** volatility that are not related to the operating performance of any particular company. The business and performance and the **[REDACTED]** of the shares of other companies engaging in similar business may also affect the price and **[REDACTED]** of our Shares. In addition to market and industry factors, the price and **[REDACTED]** of our Shares may be highly volatile for specific business reasons, such as fluctuations in our revenue, earnings, cash flows, investments, expenditures, regulatory developments, relationships with our suppliers, movements or activities of key personnel, or actions taken by competitors. Moreover, shares of other companies **[REDACTED]** on the Stock Exchange with significant operations and assets in the PRC have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

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

The **[REDACTED]** of the **[REDACTED]** is higher than the net tangible asset value per H Share immediately prior to the **[REDACTED]**. Therefore, purchasers of the **[REDACTED]** in the **[REDACTED]** will experience an immediate dilution in **[REDACTED]** consolidated net tangible asset value. In order to expand our business, we may consider **[REDACTED]** and **[REDACTED]** additional Shares in the future. Purchasers of the **[REDACTED]** may experience dilution in the net tangible asset value per H Share of their H Shares if we **[REDACTED]** additional Shares in the future at a price which is lower than the net tangible asset value per H Share at that time. Furthermore, we may **[REDACTED]** Shares pursuant to any existing or future share option incentive scheme, which would further dilute our Shareholders' interests in our Company.

**Actual or perceived sale or availability for sale of substantial amounts of our Shares could adversely affect the [REDACTED] of our Shares.**

Future sales of a substantial number of our Shares, especially by our Directors, executive officers and Controlling Shareholders, or the perception or anticipation that such sales might occur, could negatively impact the **[REDACTED]** of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. Certain amount of the Shares controlled by our Controlling Shareholders are subject to certain lock up periods beginning on the date on which **[REDACTED]** in our Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future. In addition, certain existing Shareholders of our Shares are not subject to lock up agreements. Market sale of Shares by such Shareholders and the availability of these Shares for future sale may have a negative impact on the **[REDACTED]** of our Shares.

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

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

**Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.**

We have declared dividends in the past. However, there is no assurance that we will declare dividends in the future. Under the applicable PRC laws, the payment of dividends may be subject to certain limitations, and the calculation of our profit under applicable accounting standards differs in certain respects from the calculation under IFRS. The declaration, payment and amount of our future dividends will depend upon our earnings and financial condition, operating requirements, capital requirements, applicable laws and regulations and any other conditions that our Directors may deem relevant and will be subject to the approval of our Shareholders. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the applicable PRC laws and regulations, and would require approval at our shareholders' meeting. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. For details, see "Financial Information—Dividend Policy" in this document. There can be no assurance that dividends of any amount will be declared or distributed in any year in the future. Our historical dividends should not be taken as indicative of our dividend policy in the future.

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

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

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

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

**The industry data and forecasts in this document obtained from various government publications have not been independently verified.**

This document includes industry data and forecasts extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various official governmental publications. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot assure you of the accuracy or completeness of information obtained from these sources. We have not independently verified any of the data, forecasts and other statistics from such sources, nor have we ascertained that the underlying economic assumptions relied upon in those sources. The information from official government sources has not been independently verified by us or any other parties involved in the **[REDACTED]**, or any of our or their respective directors, senior management, representatives, advisers or any other persons involved in the **[REDACTED]** and no representation is given as to its accuracy. Moreover, such facts, forecasts and other statistics may not be prepared on the same basis or with the same degree of accuracy (as the case may be) in other publications or jurisdictions. For these reasons, the information from various government publications contained in this document may not be accurate and should not be given undue reliance as a basis for making your **[REDACTED]** in our H Shares.

**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 or research analyst reports regarding us, our business, or our industry [REDACTED].**

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