This summary aims to give you an overview of the information contained in this Prospectus. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full text of this Prospectus. You should read the entire Prospectus before you decide to invest in the Offer Shares.

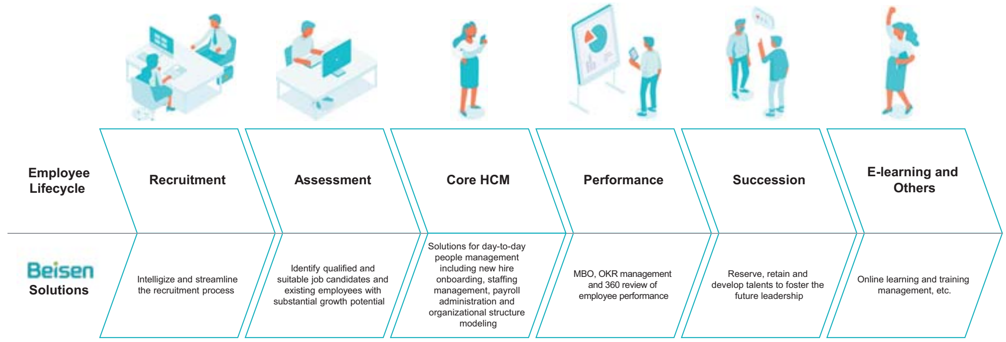
There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in "Risk Factors" in this Prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are the largest provider of cloud-based human capital management (HCM) solutions in China in terms of revenues in 2021. We had a market share of 11.6% among approximately 300 market players in China's cloud-based HCM solutions market in 2021, which is larger than the second and third players combined. In the broader HCM digitalization market in China, we ranked the third in terms of revenues in 2021 among over 500 market players, with a market share of 3.4%. Our platform iTalentX delivers cloud-native SaaS products, namely our cloud-based HCM solutions, for enterprises to recruit, evaluate, manage, develop and retain talents efficiently. Our platform is the first and the only in the industry to offer a full suite of cloud-based applications covering organization's HCM needs throughout the entire employee lifecycle. We offer integrated cloud-based HCM solutions that synchronize use cases and the underlying employee data for our customers. Through effective use case and data integration across our different HCM solutions, we enable customers to leverage such data to gain insights into workforces and inform their HCM and broader business decisions. We are also the only cloud-based HCM solutions provider in China that has built a unified and open PaaS infrastructure, which greatly improves our development efficiency, supports rapid application expansion, and meets customers' ever-changing needs.

Enterprises in China today have been growing in size and operate in highly competitive environments. To be successful, enterprises' demand for high-quality talents is rising, but the imbalance between talent supply and demand makes it urgent for them to improve the efficiency and effectiveness of human capital management through digital means. At the same time, with the development of mobile internet and the change of employee demand, enterprises look for comprehensive functionality and ease-of-use HCM solutions that cater to the needs of new generations of users. Enterprises are also looking for ways to develop insights to inform decision-making process. However, these needs haven't been effectively met due to limitations of existing solutions.

Beisen was created to meet the evolving needs. Our iTalentX is purpose built to offer enterprises comprehensive HCM solutions which are integrated. We offer (i) Recruitment Cloud to intelligize and streamline the recruitment process; (ii) Assessment Cloud for enterprises to identify qualified and suitable job candidates and existing employees with substantial growth potential to foster a strong team, based on our people science expertise and know-how; (iii) Core HCM Solutions for day-to-day people management including new hire onboarding, staffing management, payroll administration and organizational structure modeling; (iv) Performance Management Cloud for tracking of MBO, OKR management and review of employee performance; (v) Succession Cloud to reserve, retain and develop talents to foster the future leadership, as well as other solutions, such as E-learning Cloud, catering to a wide variety of HCM use cases. Our iTalentX enables our customers to not only improve all aspects of people management, but also operate with a complete picture of their organization. We offer data analytics tools powered by our business intelligence and artificial intelligence capabilities to facilitate fast and informed decision-making.



The bedrock of the iTalentX platform is our cloud-based PaaS infrastructure, which enables new applications to be developed easily and efficiently. Our PaaS infrastructure enhances the scalability and adaptability of our HCM solutions more efficiently and at lower cost. For example, the out-of-the-box functionality of our PaaS infrastructure eliminates the need to build core modules from scratch for each product enhancement or new customer or use case. Through the low code or no code development tools our PaaS infrastructure offers, developers can simply drag and drop pre-configured modules and functionality with little to no coding required to quickly develop new applications. This enables us and our customers and business partners to conveniently tailor existing applications and functionalities for specific use cases, providing them flexibility to adapt to changing business environments. In addition, our PaaS infrastructure provides a shared software development platform that allows developers to build and scale modules quickly without the need to purchase additional compute, storage and networking capacity in anticipation of traffic spikes, as a traditional on-premise business model typically requires.

We strategically focus on medium-to-large sized enterprises as we believe our success lies in a high quality and loyal customer base. Our customer base included over 4,900 players across various large-scale and fast-growing industries as of September 30, 2022, covering a vast majority of the top 10 players in technology, real estate, financial services, and automotive and manufacturing sectors. Additionally, over 70% of Fortune China 500 companies are our customers as of September 30, 2022. In the trailing twelve months ended September 30, 2022, we achieved a 113% subscription revenue retention rate, a metric used to measure growth in revenue generated from existing customers of our cloud-based HCM solutions over time.

We derive our revenues primarily from subscription fees charged to customers for our HCM solutions. Subscription model generating recurring revenues not only allows us to facilitate and benefit from our customers' success and long-term growth but also gives us visibility into our future operating results. In recent years, we have achieved considerable business and financial growth. We generated RMB437.4 million, RMB570.0 million, RMB729.3 million, RMB887.7 million and RMB907.9 million of total bookings for the fiscal years ended March 31, 2019, 2020, 2021 and 2022 and the trailing twelve months ended September 30, 2022, respectively. Our total revenues increased from RMB382.3 million for the fiscal year ended March 31, 2019 to RMB458.5 million for the fiscal year ended March 31, 2020 and RMB556.3 million for the fiscal year ended March 31, 2021, and further to RMB679.6 million for the fiscal year ended March 31, 2022, and from RMB312.8 million for the six months ended September 30, 2021 to RMB350.8 million for the six months ended September 30, 2022. Revenues generated from subscriptions to our cloud-based HCM solutions amounted to RMB209.0

million, RMB259.4 million, RMB349.1 million, RMB463.5 million and RMB253.3 million for the fiscal years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022, respectively, representing approximately 54.7%, 56.6%, 62.7%, 68.2% and 72.2% of our total revenues during the respective periods. For the fiscal years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022, we recorded gross margin of 60.6%, 59.8%, 66.4%, 58.9% and 54.0%, respectively.

As of September 30, 2022 and the Latest Practicable Date, an aggregate of total bookings that we had generated historically of RMB540.6 million and RMB601.0 million, respectively, had not been recognized as revenues. Out of the total bookings that had left unrecognized as of the Latest Practicable Date, approximately RMB82.2 million are expected to be recognized as revenues for the one month ended March 31, 2023, being the end of the fiscal year of 2023.

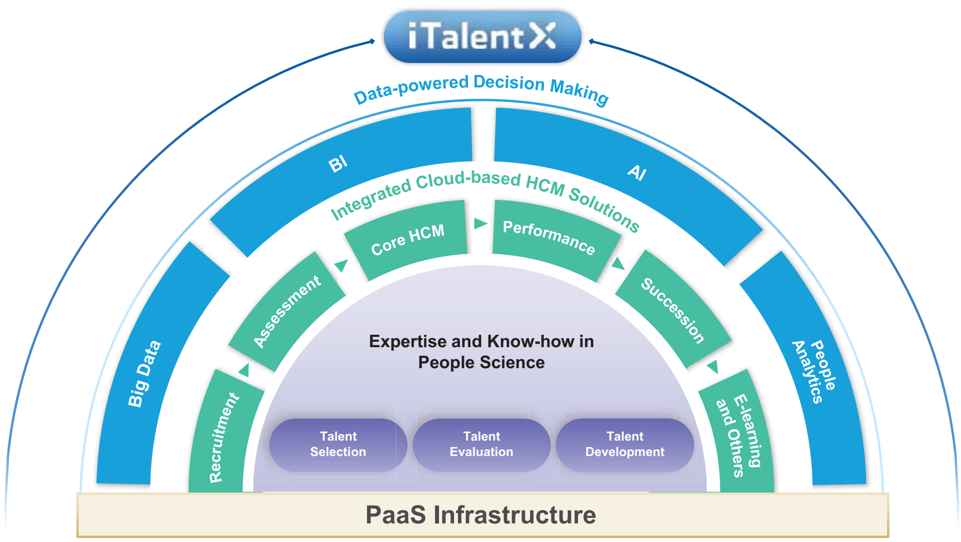
INDUSTRY BACKGROUND AND OPPORTUNITY

China's HCM market is one of the largest HCM markets in the world, with a market size of RMB660.8 billion in 2021. The market is expected to grow to reach RMB1,625.9 billion in 2027, representing a CAGR of 16.2% from 2021 to 2027. The cloud-based HCM solutions penetration rate in the HCM market in China, calculated by dividing the size of the cloud-based HCM solutions market by that of the total HCM market, was only 0.8% in 2021, compared to 6.9% in the United States, representing a tremendous opportunity for cloud-based HCM solutions providers to continue to take market share. The market for cloud-based HCM solutions in China is expected to grow at a CAGR of 32.9% from 2021 to 2027, more than doubling the CAGR of 13.5% of on premise HCM software. The market share of cloud-based HCM solutions is expected to exceed that of on premise HCM software and reach 51.6% in 2027.

There are significant unmet needs of enterprises in China, which we endeavor to address through our integrated cloud-based HCM solutions, as well as our industry expertise and know-how. For details, see "Business—Industry Background and Opportunity," and "Business—Key Benefits of Our Products."

OUR SOLUTIONS AND OFFERINGS

Our iTalentX is purpose built to tackle industry challenges and capture tremendous opportunities in China's HCM market. iTalentX is synonymous with our holistic approach to address customers' HCM needs, from the PaaS infrastructure as the foundation to data insights informing the decision-making, and from self-developed cloud-based HCM solutions building on top of the PaaS infrastructure to expertise and know-how in people science that are deeply integrated with such software solutions. iTalentX is a cloud-native and multi-layer architecture that becomes more sophisticated as our business grows. All of our cloud-based HCM solutions are currently built and operate on the iTalentX platform. The chart below illustrates the key components of our iTalentX platform.



At the bottom of the iTalentX platform is our cloud-native, multi-tenant and metadata-based PaaS infrastructure, which serves as the backbone to the iTalentX platform and is currently used mainly by our in-house developers to build and expand our cloud-based HCM solutions. In limited circumstances, we grant access to our PaaS infrastructure to IT specialists from selected large-size customers of our cloud-based HCM solutions so that such customers can develop tailor-made applications and functions for their own specific business needs. We currently do not charge any fees for, nor do we generate any revenue from, the foregoing usage of our PaaS infrastructure by customers.

With our expertise and know-how in people science at the core and PaaS infrastructure as the foundation, we offer a comprehensive suite of cloud-native, standardized HCM solutions covering a variety of customers' use cases, an industry term meaning a specific business scenario in which a product or service could potentially be used, across the entire employee lifecycle—from recruitment to departure and retirement—enabling our customers to effectively recruit, evaluate, manage, develop and retain talents. Our key modules include Recruitment Cloud, Assessment Cloud, Core HCM Solutions, Performance Management Cloud, Succession Cloud, E-learning Cloud and others. Through this broad yet growing selection of adaptable and accessible HCM solutions, we are leading the way in helping organizations intelligize and optimize their human resources management.

Based on our big data and AI technologies, we build the business intelligence and people analytics engine in the application layer, providing data analytics support for enterprises in China to measure the effectiveness of human resource allocation, organizational management and talent management capabilities, human resource operational efficiency, and overall organizational performance and operational results.

To maximize the value propositions of our HCM solutions and offer bespoke customer experience, we also provide customers with a selection of paid professional services, primarily including implementation services and value-added services.

For details of our cloud-based HCM solutions and professional services, see "Business—Our Offerings."

The table below sets forth a breakdown of our revenues by offering type for the periods indicated.

	For the year ended March 31,								For the six months ended September 30,			
	2019		2020		2021		2022		2021		2022	
	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%	RMB	%
	(RMB in thousands, except percentages)								*(Unaudited)*			
Cloud-based HCM solutions	209,023	54.7	259,449	56.6	349,073	62.7	463,467	68.2	209,534	67.0	253,268	72.2
Professional services	173,255	45.3	199,088	43.4	207,254	37.3	216,160	31.8	103,256	33.0	97,498	27.8
Total	**382,278**	**100.0**	**458,537**	**100.0**	**556,327**	**100.0**	**679,627**	**100.0**	**312,790**	**100.0**	**350,766**	**100.0**

The professional services revenue presented in the table above include revenue from Beisen Shengya which we disposed of in September 2021 and Ruizheng HR Management which we disposed of in July 2020, other than revenue from our current implementation services and value-added services. Excluding inter-company transactions with the rest of the Group, (i) in the fiscal years of 2019, 2020, 2021 and 2022, revenues generated from Beisen Shengya were RMB40.6 million, RMB42.5 million, RMB46.8 million and RMB20.3 million, respectively; and (ii) in the fiscal years of 2019 and 2020, revenues generated from Ruizheng HR Management were RMB27.8 million and RMB13.2 million, respectively. For more information about Beisen Shengya and Ruizheng HR Management, see "History, Reorganization and Corporate Structure—Disposal and Deregistration of Certain Subsidiaries."

OUR CUSTOMERS AND SUPPLIERS

We primarily sell to medium- and large-sized companies that span numerous industries. As of March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, we served over 3,300, 3,800, 4,200, 4,700 and 4,900 customers, respectively. We do not have substantial reliance on any single customer. For the fiscal years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022, revenues generated from our five largest customers accounted for 4%, 4%, 3%, 3% and 3%, respectively, of our total revenues during the same periods. For details, see "Business—Our Customers."

Our suppliers are predominantly real property development and management companies and IT service providers. As of September 30, 2022, we collaborated with approximately 940 suppliers. For the fiscal years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022, purchases from our five largest suppliers in each period during the Track Record Period accounted for 19%, 18%, 19%, 24% and 24%, respectively, of our total purchases during the relevant periods. For details, see “Business—Our Suppliers.”

OUR COMPETITIVE STRENGTHS

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

- Leader in China’s cloud-based HCM solutions market;
- Brand of choice for human capital management services;
- The first and only provider of integrated cloud-based HCM solutions in China;
- Proprietary talent management methodology and extensive industry insights;
- Effective go-to-market strategy; and
- Experienced management team and motivating corporate culture.

For details, see “Business—Our Competitive Strengths.”

OUR GROWTH STRATEGIES

To achieve our mission and further solidify our leadership, we intend to pursue the following strategies:

- Product Driven: Continuing to upgrade our integrated cloud-based HCM solutions;
- Customer Oriented: Expanding to a more diversified customer base while creating more value for customers in the long-term;
- Business Partner Oriented: Continuing to develop PaaS infrastructure to form an open ecosystem for developers and business partners; and
- Talent Oriented: Attracting and retaining talents to reinforce our leadership position.

For details, see “Business— Our Growth Strategies.”

COMPETITIVE LANDSCAPE

We operate in the highly competitive HCM industry in China and are faced with intense competition. We currently compete with cloud-based HCM solutions providers, enterprise software providers and potential new market entrants both in China and around the world based on a number of factors, mainly including product functionality and scope, performance, scalability and reliability of services, technology capabilities, marketing and sales capabilities, customer experience, pricing, brand recognition and reputation. The pricing of our cloud-based HCM solutions and professional services is generally consistent with the industry norm.

For example, we compete with global cloud-based HCM solutions providers who have developed business presence in China. As of the end of 2021, the number of global cloud-based HCM solutions providers accounted for less than 10% of over 500 market players in China’s HCM digitalization market and approximately 300 market players in China’s cloud-based HCM solutions market, respectively. In 2021, among the top five players in terms of revenues in China’s HCM digitalization market or cloud-based HCM solutions market, there was only one global cloud-based HCM solutions provider. We believe we are able to compete effectively against these global cloud-based HCM solutions providers due to our tailored solutions and services that are designed to address the pain points of Chinese enterprises particularly based on our extensive local experience and observations.

In addition, we also compete with enterprise software providers. While these enterprise software providers are expertized at on-premise software, they have been expanding their footprints into cloud-based applications in recent years in response to customers' growing demands. In 2021, among the top five players in terms of revenues in China's HCM digitalization market, there were three domestic enterprise software providers, and among the top five players in terms of revenues in China's cloud-based HCM solutions market, there was only one domestic enterprise software provider. We mainly leverage the robust capabilities of our cloud-based HCM solutions and our first-mover advantages in the cloud-based HCM solutions market to compete with these enterprise software providers. For more information on the competitive landscape of our industry, see "Industry Overview."

RISK FACTORS

Our business and the Global Offering involve certain risks as set out in "Risk Factors" in this Prospectus. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: the markets in which we participate are competitive, and if we do not compete effectively, our business, financial condition and results of operations could be adversely affected; our success depends on growth in market acceptance of cloud-based HCM solutions, and our solutions and services in particular; if we are not able to upgrade, enhance and expand our technology and solutions or provide successful enhancements, new features and applications, our business could be adversely affected; our recent growth may not be indicative of our future growth, and we may not be able to sustain our revenue growth rate in the future. Our growth also makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful; we have a history of net losses, and we may not be able to achieve profitability in the future; if our security measures are breached or unauthorized access to customer data is otherwise obtained, our solutions and services may be perceived as not being secure, customers may reduce the use of or stop using our solutions and services, and we may incur significant liabilities; complying with evolving laws and regulations regarding cybersecurity, information security, privacy and data protection and other related laws and requirements may be expensive and force us to make adverse changes to our business. Many of these laws and regulations are subject to changes and uncertain interpretations, and any failure or perceived failure to comply with these laws and regulations could result in negative publicity, legal proceedings, suspension or disruption of operations, increased cost of operations, or otherwise harm our business; our business could be adversely affected if our customers and their employees are not satisfied with the services provided by us; if our solutions and services fail to perform properly, our reputation could be adversely affected, our market share could decline and we could be subject to liability claims.

CONTRACTUAL ARRANGEMENTS

As disclosed in the section headed "Contractual Arrangements" in this Prospectus, it is not viable for our Company to hold the Onshore Holdco directly through equity ownership. In order to comply with the relevant PRC laws and regulations, while availing ourselves of international capital markets and maintaining effective control over all of our operations, we control our Consolidated Affiliated Entity through the Contractual Arrangements. Hence, we do not directly own any equity interest in our Consolidated Affiliated Entity. Pursuant to the Contractual Arrangements, we have effective control over the financial and operational policies of our Consolidated Affiliated Entity and are entitled to all the economic benefits derived from the Consolidated Affiliated Entity' operations. For further details, see "Contractual Arrangements" in this Prospectus.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We are applying for the Listing under Rule 8.05(3) of the Listing Rules and satisfy the market capitalization/revenue test, among other things, with reference to (i) our revenue for the fiscal year ended March 31, 2022, being RMB679.6 million, which is over HK$500 million as required by Rule 8.05(3) of the Listing Rules; and (ii) our expected market capitalization at the time of the Listing, which, based on the Offer Price of HK$29.70 per Offer Share, exceeds HK$4 billion as required by Rule 8.05(3) of the Listing Rules.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary Consolidated Statements of Comprehensive Loss

	For the year ended March 31,				For the six months ended September 30,	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
			(RMB in thousands)			
Revenues	382,278	458,537	556,327	679,627	312,790	350,766
Cost of revenues	(150,807)	(184,194)	(186,730)	(279,116)	(123,866)	(161,451)
Gross profit	**231,471**	**274,343**	**369,597**	**400,511**	**188,924**	**189,315**
Selling and marketing expenses	(206,754)	(295,236)	(284,308)	(331,000)	(155,875)	(177,446)
General and administrative expenses	(155,538)	(110,173)	(83,113)	(206,616)	(125,227)	(64,429)
Research and development expenses	(146,479)	(215,152)	(212,550)	(258,357)	(125,281)	(144,858)
Other gains, net	3,269	2,130	44,067	72,994	37,714	19,259
Operating loss	**(250,049)**	**(320,162)**	**(141,105)**	**(288,563)**	**(162,327)**	**(163,491)**
Losses from financial instruments issued to investors	(111,461)	—	—	—	—	—
Fair value changes of redeemable convertible preferred shares	(317,678)	(883,369)	(752,797)	(1,638,199)	(660,595)	(4,991)
Fair value changes of warrant liability	(13,159)	(53,472)	(32,571)	—	—	—
Loss before income tax	**(691,910)**	**(1,252,276)**	**(923,438)**	**(1,921,579)**	**(820,014)**	**(167,124)**
Income tax (expense) / credit	1,745	(14,476)	(16,702)	12,807	(184)	4,302
Loss for the year/period	**(690,165)**	**(1,266,752)**	**(940,140)**	**(1,908,772)**	**(820,198)**	**(162,822)**
Loss attributable to:						
—Owners of the Company	(691,060)	(1,267,206)	(940,142)	(1,908,772)	(820,198)	(162,822)
—Non-controlling interests	895	454	2	—	—	—
	(690,165)	**(1,266,752)**	**(940,140)**	**(1,908,772)**	**(820,198)**	**(162,822)**

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted net loss (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We believe that this non-IFRS measure facilitates comparisons of operating performance from period to period and company to company. We believe that this measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as they help our management. However, our presentation of the adjusted net loss (non-IFRS measure) may not be comparable to similarly titled measures presented by other companies. The use of this non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

Adjusted Net Loss (Non-IFRS Measure)

We define adjusted net loss (non-IFRS measure) as loss for the years/periods adjusted by adding back share-based payments, fair value changes of redeemable convertible preferred shares and fair value changes of warrant liability. The following table reconciles our adjusted net loss (non-IFRS measure) for the years/periods presented to the most directly comparable financial measure calculated and presented in accordance with IFRS, for the periods indicated.

	For the year ended March 31,				For the six months ended September 30,	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
	(RMB in thousands)					
Reconciliation of loss for the period and adjusted net loss (non-IFRS measure)						
Loss for the year/period	**(690,165)**	**(1,266,752)**	**(940,140)**	**(1,908,772)**	**(820,198)**	**(162,822)**
Add:						
Share-based payments – ESOP(1)	—	75,447	33,549	53,635	26,245	5,692
Share-based payments – non-ESOP(2)	81,126	2,499	—	53,348	53,348	—
Fair value changes of redeemable convertible preferred shares(3)	317,678	883,369	752,797	1,638,199	660,595	4,991
Fair value changes of warrant liability(4)	13,159	53,472	32,571	—	—	—
Adjusted net loss (non-IFRS Measure)	**(278,202)**	**(251,965)**	**(121,223)**	**(163,590)**	**(80,010)**	**(152,139)**

Notes:

1. Share-based payments for ESOP purposes relates to the share rewards we offered to our employees, which is a non-cash expense.
2. Share-based payments for non-ESOP purposes arise from certain share exchange and share repurchase transactions, and transactions among shareholders. For details of these transactions, see Note 26 to the Accountant's Report included in Appendix I to this Prospectus.
3. Fair value changes of redeemable convertible preferred shares arise primarily from the changes in the carrying amount of our redeemable convertible preferred shares in connection with the Pre-IPO Investments. These fair value changes are non-cash in nature. Upon completion of the Listing, such redeemable convertible preferred shares will be automatically converted into ordinary shares of our Company and no fair value change will be recorded.
4. Fair value changes of warrant liability arise primarily from the changes in the carrying amount of the warrants issued by us to certain existing investors of our Group as part of our Reorganization, pursuant to the terms of which the relevant investors may exercise the warrants to acquire our Preferred Shares under certain events. The warrant liability was subsequently derecognized in June 2020 due to the exercise in full of the warrants by the relevant investors. These fair value changes are non-cash in nature.

Our adjusted net loss (non-IFRS measure) amounted to RMB278.2 million, RMB252.0 million, RMB121.2 million, RMB163.6 million and RMB152.1 million for the fiscal years ended March 31, 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022, respectively. We have historically recorded adjusted net loss (non-IFRS measure) for the fiscal years of 2019, 2020, 2021 and 2022 and the six months ended September 30, 2022, primarily because we have strategically prioritized scale and geographic expansion, customer growth and engagement, and product development and innovations, over short-term profitability to capture opportunities offered by the emerging and rapidly growing cloud-based HCM market in China. We believe such investment is indispensable in establishing compelling competitive advantages for our long-term sustainable growth. See "Business—Business Sustainability" for a detailed discussion of our path to profitability.

Our adjusted net loss (non-IFRS measure) increased from RMB121.2 million for the fiscal year of 2021 to RMB163.6 million for the fiscal year of 2022, primarily due to an increase in our net loss, which in turn was primarily due to the increases in cost of revenues and operating expenses. For a detailed discussion of our operating results for the fiscal year ended March 31, 2022, see "Financial Information—Period-to-Period Comparisons of Results of Operations—Fiscal Year Ended March 31, 2022 Compared to Fiscal Year Ended March 31, 2021." Our adjusted net loss (non-IFRS measure) increased from RMB80.0 million for the six months ended September 30, 2021 to RMB152.1 million for the six months ended September 30, 2022 primarily because our revenue growth slowed down amid the new COVID-19 outbreaks across China during the period. For a detailed discussion of our operating results for the six months ended September 30, 2022, see "Financial Information—Period-to-Period Comparisons of Results of Operations—Six Months Ended September 30, 2022 Compared to Six Months Ended September 30, 2021."

The movements in our net losses during the Track Record Period had been primarily due to the fair value changes of our warrant liability and/or redeemable convertible preferred shares. In particular, our net losses increased in the fiscal year ended March 31, 2022, attributable primarily to the increased fair value changes of redeemable convertible preferred shares. This resulted from changes in the valuation of our Company driven by our strong business growth and improved business outlook. See "—Non-IFRS Measure" below for our adjusted net (loss)/income (non-IFRS measure) eliminating the impact of the accounting treatment of our warrant liability and redeemable convertible preferred shares during the Track Record Period. Our net losses narrowed for the fiscal year ended March 31, 2021, primarily as a result of (i) our efforts to optimize our internal organizational structure and headcount, and to a lesser extent, (ii) the reduction in the amount of social insurance contributions for our operation and product support staff due to the PRC government's relief policies in response to the COVID-19 pandemic.

For a detailed analysis of our results of operations during the Track Record Period, see "Financial Information—Period-to-Period Comparisons of Results of Operations."

RECENT DEVELOPMENT

We intend to continue to invest in upgrading our integrated cloud-based HCM solutions, enhancing our technology development capabilities and ramping up customer acquisition and retention efforts to drive our long-term profitability. As a result of this long-term growth strategy, we have been in a loss-making position during the Track Record Period and we expect to incur increasing and substantial net losses and net operating cash outflow for the fiscal year ended March 31, 2023, and we may not be able to become profitable in the short term. See "Business—Business Sustainability" for a detailed discussion of our historical loss-making positions and our path to profitability.

Recent Regulatory Developments

Overseas Listing

On February 17, 2023, the CSRC promulgated Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant five guidelines, which will become effective on March 31, 2023.

The Overseas Listing Trial Measures will comprehensively improve and reform the existing regulatory regime for overseas offering and listing of PRC domestic companies' securities and will regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities by adopting a filing-based regulatory regime.

According to the Overseas Listing Trial Measures, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to fulfill the filing procedure with the CSRC and report relevant information. For the circumstances under which an overseas listing or offering is explicitly prohibited, see "Regulations—M&A Rules and Overseas Listing."

The Overseas Listing Trial Measures also provides that if the issuer both meets the following criteria, the overseas securities offering and listing conducted by such issuer will be deemed as indirect overseas offering by PRC domestic companies: (i) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in mainland China, or its main place(s) of business are located in mainland China, or the majority of senior management staff in charge of its business operations and management are PRC citizens or have their usual place(s) of residence located in mainland China. Where an issuer submits an application for initial public offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted. The Overseas Listing Trial Measures also requires subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings.

At a press conference held for these new regulations, officials from the CSRC clarified certain transition arrangements for the existing issuers, see "Regulations—M&A Rules and Overseas Listing." Based on the expected Listing timetable, as of the Latest Practicable Date, the Company expects to pass the Listing Committee hearing for the Listing on or before March 31, 2023 and to complete this Global Offering and Listing on or before September 30, 2023, and accordingly, our Directors are of the view that we will not be required to complete the aforesaid filing procedures with the CSRC in connection with the Listing.

However, in future and in the event where we are required to comply with such filing procedures, our Directors, having consulted our PRC Legal Adviser, are of the view that we will be able to comply with the Overseas Listing Trial Measures in all material aspects regarding the proposed Listing, on the basis that: (i) the Company does not fall within any of the circumstances clearly and specified in Article 8 of the Overseas Listing Trial Measures in which overseas offering and listing are prohibited; and (ii) the Company has taken comprehensive measures to ensure its compliance with the relevant laws and regulations and will continue to pay close attention to the implementation of the

Overseas Listing Trial Measures and legislative and regulatory developments in respect of overseas listing of domestic companies, and will complete filing procedures in accordance with the requirements of the Overseas Listing Trial Measures where applicable to the proposed Listing with the assistance of our Company's onshore and offshore counsel teams and internal control consultants.

Having taken into account the factors above and the view of the Directors and the PRC Legal Advisor and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors' attention that would reasonably cause them to cast doubt in any material respects on the reasonableness of the above-mentioned view of the Directors. See "Risk Factors—Risks Relating to Conducting Business in China—The approval of or filing with the CSRC may be required in connection with the Global Offering and our future financing activities, and, if required, we cannot predict whether we will be able to obtain such approval or complete such filing."

Cybersecurity

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly promulgated the Cybersecurity Review Measures (網絡安全審查辦法), or the Review Measures, which became effective on February 15, 2022. On November 14, 2021, the CAC commenced to publicly solicit comments on the Regulations on Cyber Data Security Management (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) ("**Draft Data Security Regulations**"). For details, see "Regulations—Regulations on Internet Information Security and Privacy Protection." On March 6, 2023, our PRC Legal Advisor and the Sponsor's PRC Legal Advisor made a telephone consultation with the China Cybersecurity Review Technology and Certification Center (the "**CCRC**"), which is delegated by the CAC to accept applications for cybersecurity review, the staff of which confirmed that the term "listing abroad (赴國外上市)" under Article 7 of the Review Measures exempts listing in Hong Kong from the mandatory obligation of ex-ante application of cybersecurity review and the Company does not need to apply for the cybersecurity review according to Article 7 of the Review Measures. Our PRC Legal Advisor is of the view that the CCRC is the competent authority for such consultation, and the staff who responded our inquires during such consultation is the duly designated person in the CCRC to handle public inquiries. As such and based on the consultation with the CCRC, our PRC Legal Advisor is of the view that, we do not need to initiate the application for cybersecurity review pursuant to Article 7 of the Review Measures.

Our Directors and our PRC Legal Advisor are of the view that we are able to comply with the Review Measures and the Draft Data Security Regulations (if implemented in its current forms) in all material aspects, see "Regulations—Regulations on Internet Information Security and Privacy Protection."

Based on the foregoing, our Directors, as advised by our PRC Legal Advisor, are of the view that the Review Measures and the Draft Data Security Regulations, if implemented in its current form, would not have a material adverse impact on our business operations, financial condition or the Listing. Having taken into account the view and analysis of our Company and the PRC Legal Advisor as described above as well as the due diligence conducted, nothing has come to the attention of the Joint Sponsors which would cause them to disagree with the reasonableness of our Directors' view that (i) the Group are able to comply with the Review Measures and the Draft Data Security Regulations (if implemented in its current forms) in all material aspects; and (ii) the Review Measures and the Draft Data Security Regulations, if implemented in its current form, would not have a material adverse impact on our business operations, financial performance or the proposed listing.

Foreign Investment

The Special Administrative Measures for Foreign Investment Access (Negative List 2021) (《外商投資准入特別管理措施(負面清單)(2021年版)》) (the "**Negative List (2021)**"), effective from January 1, 2022, provides, among others, that domestic companies engaged in foreign investment prohibited business and intend to offer and list securities in overseas markets shall obtain approval from relevant government authorities. The PRC Legal Advisor is of the view that as of the Latest Practicable Date, the business operated by our Consolidated Affiliated Entity and PRC-incorporated subsidiaries does not fall within any foreign investment prohibited business listed in the Negative List (2021). Therefore, our PRC Legal Advisor is of the view that the foregoing provision in the Negative List (2021) shall not apply to us.

Based on the foregoing, the Directors are of the view that the Negative List (2021) will not have a material adverse effect on our business and operations. Having taken into account the factors above and the view of the Directors and the PRC Legal Advisor, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the reasonableness of the above-mentioned view of the Directors.

On April 7, 2022, the State Council of the PRC issued the Decision to Amend and Abolish Certain Administrative Regulations, which makes amendments to the 2016 FITE Regulations. Among others, the 2022 FITE Regulations removes the qualification requirements (i.e., a good track record and experience in operating value-added telecommunications business) for foreign investors that hold equity interest in PRC companies conducting value-added telecommunication business as set out in the 2016 FITE Regulations.

The PRC Legal Advisor has advised that the amendments in the 2022 FITE Regulations do not invalidate the IDC License held by the Onshore Holdco, require the Company to modify its Contractual Arrangements or to adjust business operations of the Company according to PRC laws and regulations. Our Directors are of the view that the removal of Qualification Requirements as a result of the 2022 FITE Regulations does not invalidate the current structure of the Company's Contractual Arrangements, on the basis that (i) foreign investment is generally not permitted in the types of value-added telecommunications business that do not fall within China's commitment to the WTO to open up, which include, among other types of services, internet data center services, such as the Onshore Holdco's Restricted Operation as licensed by the IDC License, except that qualified telecommunication service providers incorporated in Hong Kong or Macau may hold up to 50% equity interest in such entities according to the Mainland and Hong Kong Closer Economic Partnership Agreement or the Mainland and Macao Closer Economic Partnership Agreement, respectively; and (ii) as of the Latest Practicable Date, the Company has not received any inquiry or notice from the competent authorities regarding the validity of IDC License held by the Onshore Holdco or the Contractual Arrangements as a whole. Accordingly, our PRC Legal Advisor has confirmed that nothing has caused the PRC Legal Advisor to disagree with the foregoing views of our Directors.

The Company will closely monitor any future development relating to the implementation of the 2022 FITE Regulations and will take all necessary actions to comply with applicable laws, regulations, and specific requirements. Based on the above, the 2022 FITE Regulations would not have a material adverse effect on the Contractual Arrangements and the business operations of the Company.

Anti-monopoly

On February 7, 2021, the Anti-monopoly Committee of the State Council published the Anti-Monopoly Guidelines for the Platform Economy Sector (關於平台經濟領域的反壟斷指南) that specifies some of activities of internet platforms may be determined to be monopolistic, and clarifies concentrations of undertakings involving variable interest entities are subject to anti-monopoly scrutiny. On June 24, 2022, the SCNPC promulgated the Anti-monopoly Law (Revised in 2022) (反壟斷法(2022年修訂)) (the "**Revised Anti-monopoly Law**"), which took effect on August 1, 2022, and which provides, among others, that business operators shall not use data, algorithms, technology, capital advantages and platform rules to exclude or limit competition. As of the Latest Practicable Date, we had not been subject to any penalties in connection with anti-monopoly laws. However, these laws and guidelines may limit our ability to pursue growth through acquisitions in the PRC. See "Risk Factors—Risks Relating to Conducting Business in China—The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China."

On the basis that (i) during the Track Record Period and up to the Latest Practicable Date, we had not resorted to any monopolistic behavior in our business operations, and had not entered into any monopolistic agreement; (ii) we had not been subject to any penalties, regulatory actions, or investigations in connection with anti-monopoly activities, our PRC Legal Advisor is of the view that the Revised Anti-Monopoly Law will not have any material adverse effect on us.

Based on the current circumstances known to the Directors, the Directors believe that we will not incur additional costs that are material to our Group as a whole or be required to materially change our business model as a result of the above changes in laws and regulations in relation to anti-monopoly as of the Latest Practicable Date. Based on the foregoing, the Directors are of the view that the above changes will not have a material adverse effect on our business and operations. Having taken into account the factors above and the view of the Directors and the PRC Legal Advisor, nothing has come to the Joint Sponsors' attention that would cause them to disagree with the reasonableness of the above-mentioned view of the Directors.

Summary Consolidated Statements of Financial Position

	As of March 31,				As of September 30,
	2019	2020	2021	2022	2022
	(RMB in thousands)				
Total non-current assets	128,670	94,126	84,927	186,064	207,655
Total current assets	596,283	503,499	507,890	1,848,641	1,659,536
Total assets	**724,953**	**597,625**	**592,817**	**2,034,705**	**1,867,191**
Deficits attributable to owners of the Company	(1,542,531)	(2,838,374)	(3,543,277)	(5,280,350)	(6,198,130)
Non-controlling interests	3,046	(7)	(5)	—	—
Total deficits	**(1,539,485)**	**(2,838,381)**	**(3,543,282)**	**(5,280,350)**	**(6,198,130)**
Total non-current liabilities	1,878,158	2,879,283	32,510	6,672,607	7,454,618
Total current liabilities	386,280	556,723	4,103,589	642,448	610,703
Total liabilities	**2,264,438**	**3,436,006**	**4,136,099**	**7,315,055**	**8,065,321**
Total deficits and liabilities	**724,953**	**597,625**	**592,817**	**2,034,705**	**1,867,191**
Net current assets / (liabilities)	**210,003**	**(53,224)**	**(3,595,699)**	**1,206,193**	**1,048,833**

We recorded non-current assets of RMB128.7 million, RMB94.1 million, RMB84.9 million, RMB186.1 million and RMB207.7 million as of March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, respectively. Our non-current assets increased significantly from RMB84.9 million as of March 31, 2021 to RMB186.1 million as of March 31, 2022, attributable primarily to (i) the increases in right-of-use assets of RMB51.8 million as a result of our expanded office space, and (ii) property, plant and equipment of RMB19.0 million, primarily attributable to the purchase of servers and office renovation expenditures, which was generally in line with our business expansion.

We recorded current assets of RMB596.3 million, RMB503.5 million, RMB507.9 million, RMB1,848.6 million and RMB1,659.5 million as of March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, respectively. Our current assets increased significantly from RMB507.9 million as of March 31, 2021 to RMB1,848.6 million as of March 31, 2022, attributable primarily to the increase financial assets at fair value through profit or loss of RMB1,172.3 million as a result of our increased structured deposits. Our current assets decreased from RMB1,848.6 million as of March 31, 2022 to RMB1,659.5 million as of September 30, 2022, primarily due to the decrease in cash and cash equivalents of RMB209.8 million that were mainly used for our operating activities during the period.

We recorded accumulated losses of RMB1,100.2 million, RMB2,367.4 million, RMB3,307.6 million, RMB5,216.3 million and RMB5,379.1 million as of March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, respectively. Our accumulated losses as of these dates were attributable primarily to our losses incurred in the past. In addition, we recorded net liabilities throughout the Track Record Period, attributable primarily to the warrants and/or redeemable convertible preferred shares issued in connection with our Pre-IPO Investments. The warrant liability had been derecognized in June 2020, and the redeemable convertible preferred shares will be automatically converted into ordinary shares upon the completion of the Global Offering. As a result, upon the completing of the Global Offering, our redeemable convertible preferred shares will be re-designated from financial liabilities to equity such that our current net liabilities position is expected to change to a net assets position. Our net liabilities increased from RMB1,539.5 million as of March 31, 2019 to RMB2,838.4 million as of March 31, 2020 attributable primarily to loss for the year of RMB1,266.8 million. Our net liabilities increased from RMB2,838.4 million as of March 31, 2020 to RMB3,543.3 million as of March 31, 2021 attributable primarily to loss for the year of RMB940.1 million, as offset by currency translation differences of RMB202.4 million and share-based payments of RMB33.5 million. Our net liabilities further increased from RMB3,543.3 million as of March 31, 2021 to RMB5,280.4 million as of March 31, 2022 attributable primarily to loss for the year of RMB1,908.8 million, as offset by currency translation differences of RMB130.6 million and share-based payments of RMB53.6 million. Our net liabilities further increased from RMB5,280.4 million as of March 31, 2022 to RMB6,198.1 million as of September 30, 2022 attributable primarily to loss for the period of RMB162.8 million, currency translation differences of RMB756.3 million and fair value changes of redeemable preferred shares due to own credit risk of RMB4.3 million. For further details, see the consolidated statements of changes in deficits set out in the Accountant's Report included in Appendix I to this Prospectus. We have incurred losses historically and during the Track Record Period because we have invested heavily in customer acquisition and engagement and product development and innovations to drive market acceptance of our solutions and rapidly ramp up our business presence. For a detailed discussion of the underlying reasons for our losses historically, and the specific measures to achieve our long-term profitability, see "Business—Business Sustainability."

We recorded net current liabilities of RMB53.2 million and RMB3,595.7 million as of March 31, 2020 and 2021, respectively. Our net current liabilities position as of each of these dates was mainly due to the warrants and/or redeemable convertible preferred shares in connection with our Pre-IPO Investments. The foregoing redeemable convertible preferred shares will be automatically converted into ordinary shares upon the completion of the Global Offering. See also "Risk Factors—Risks Relating to Our Business and Industry—We recorded net liabilities and net current liabilities during the Track Record Period."

We recorded net current assets of RMB1,048.8 million as of September 30, 2022, as compared to net current assets of RMB1,206.2 million as of March 31, 2022, primarily due to the decrease in cash and cash equivalents of RMB209.8 million as we continue to invest in our business expansion. The decrease in net current assets was partially offset by a decrease in other payables and accruals of RMB26.9 million, in relation to the decrease in salary and welfare payable as we settled employees' annual bonuses over the period.

We recorded net current assets of RMB1,206.2 million as of March 31, 2022, as compared to net current liabilities of RMB3,595.7 million as of March 31, 2021, primarily due to (i) redeemable convertible preferred shares of RMB3,558.2 million being re-classified as non-current liabilities due to the extension of their earliest redemption date in April 2021, (ii) the increase in financial assets at fair value through profit or loss of RMB1,172.3 million, attributable to the increase in our structured deposits, and (iii) the increase in term deposits of RMB85.3 million.

As of January 31, 2023, being the latest practicable date for our liquidity disclosure, we recorded net current assets of RMB964.4 million.

For further details, see "Financial Information—Discussion of Certain Key Balance Sheet Items."

Summary Consolidated Statements of Cash Flows

	For the year ended March 31,				For the six months ended September 30,	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
	(RMB in thousands)					
Net cash (outflow) / inflow from operating activities	(83,374)	(65,528)	38,497	(156,038)	(137,104)	(186,144)
Net cash (outflow) / inflow from investing activities	(231,304)	29,432	21,912	(1,272,675)	(830,914)	(9,033)
Net cash inflow / (outflow) from financing activities	479,010	(33,555)	(29,165)	1,514,726	1,539,777	(19,260)
Net (decrease) / increase in cash and cash equivalents	**164,332**	**(69,651)**	**31,244**	**86,013**	**571,759**	**(214,437)**
Cash and cash equivalents at the beginning of the fiscal year/period	106,604	257,351	191,337	215,074	215,074	288,706
Effects of exchange rate changes on cash and cash equivalents	(13,585)	3,637	(7,507)	(12,381)	(26,818)	4,650
Cash and cash equivalent at end of the year/period	**257,351**	**191,337**	**215,074**	**288,706**	**760,015**	**78,919**

We recorded net cash outflow from operating activities of RMB83.4 million, RMB65.5 million, RMB156.0 million and RMB186.1 million for the fiscal years ended March 31, 2019, 2020 and 2022 and the six months ended September 30, 2022 respectively, which were attributable primarily to our operating loss for the same periods. We briefly recorded net cash inflow from operating activities of

RMB38.5 million for the fiscal year ended March 31, 2021. This was primarily due to our narrowed operating loss during the same year as a result of (i) our efforts to optimize our internal organizational structure and headcount, and to a lesser extent, (ii) the reduction in the amount of social insurance contributions for our operation and product support staff due to the PRC government's relief policies in response to the COVID-19 pandemic. Since we operate a subscription-based SaaS business model, we have invested heavily in customer acquisition and engagement and product development and innovations to drive market acceptance of our solutions and rapidly ramp up our business presence. While these investments typically would not translate into immediate financial returns and have in part contributed to our historical operating loss positions, we believe that they are indispensable to achieving our current scale and market leadership, as well as long-term path to profitability.

For a detailed discussion of the underlying reasons for our losses historically, and the specific measures to achieve our long-term profitability, see "Business—Business Sustainability." For a more detailed cash flow analysis, see "Financial Information—Liquidity and Capital Resources—Cash Flow Analysis."

WORKING CAPITAL SUFFICIENCY

As of January 31, 2023, we had cash and cash equivalents, financial assets at fair value through profit or loss (short-term), term deposits (short-term), and restricted cash (short-term) of RMB1,495.5 million. Our Directors are of the opinion that, taking into account our available cash and cash equivalents, financial assets at fair value through profit or loss (short-term), term deposits (short-term), restricted cash (short-term) and the estimated net proceeds from the Global Offering, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Prospectus. After making reasonable inquiries of our management about our working capital, nothing has come to the Joint Sponsors' attention that would reasonably cause the Joint Sponsors to cast doubt on the Directors' view.

In addition, it is estimated that additional working capital of approximately RMB200 million to RMB300 million may be required before our current net operating cash outflow position is turned into a net operating cash inflow position, which we currently expect to happen in 2025, based on information currently available to us. Our Directors are of the opinion that we will have adequate working capital and sufficient cash balance to support our business growth until we achieve a net operating cash inflow position, without taking account of the estimated proceeds from the Global Offering, on the following grounds: (i) we had cash and cash equivalents of RMB78.9 million, term deposits of RMB201.6 million and short-term financial assets at fair value through profit or loss of RMB1,303.6 million, which are all highly liquid assets, as of September 30, 2022; (ii) we have implemented and will in the future continue to implement a wide array of initiatives to upgrade our solutions, expand our customer bases, increase customers' use of our solutions and increase operational leverages, all of which are expected to help us generate continued cash flows from our operations; and (iii) as a SaaS company, we typically request our customers to pay subscription fees upfront before we deliver our cloud-based HCM solutions and professional services, which helps us maintain a strong operational cashflow position.

Furthermore, we had total cash and cash equivalents, financial assets at fair value through profit or loss (short-term), term deposits (short-term), and restricted cash (short-term) of RMB1,584.3 million as of September 30, 2022. Historically, our average monthly cash burn (defined as combined operating cash outflow and capital expenditure investment) was RMB36.7 million across the 6 months ended

September 30, 2022. Based on the average historical monthly cash burn rate across the six months ended September 30, 2022, the total of RMB1,584.3 million cash sources will be able to support the our operations for over 43 months from September 30, 2022 till April 30, 2026, without taking into account the estimated net proceeds from the Global Offering and future net cash inflow.

The foregoing forward-looking statements on our working capital forecast are based on assumptions regarding our present and future business strategies and the environment in which we will be operating. Our future financial position and results of operations may be affected by complicated factors and may be subject to risks and uncertainties discussed in the section headed "Risk Factors" in this Prospectus, many of which are beyond our control.

BUSINESS SUSTAINABILITY

SaaS products like our cloud-based HCM solutions typically require substantial initial investment in customer acquisition and retention and product development to drive market acceptance. This is because SaaS business operates a subscription revenue model that generates a stable revenue inflow once the business reaches a scale. To achieve scale, SaaS service providers first need to invest heavily in developing a SaaS product that offers compelling scalability benefits to potential customers and continue to optimize the functionality as it rolls out the products to a broader range of customers. In the meantime, they also need to devote substantial resources upfront to sales and marketing to amass a vast and loyal customer base from whom SaaS companies can continue to generate recurring subscription revenues during customers' life time. Nearly 80% of our customers who contributed to our ARR as of September 30, 2022 have an expected customer lifetime of approximately 5 years. Such upfront investments to grow a subscription business often exceeds the profits from the recurring revenue stream in the initial period, resulting in a loss making position. As the deployment of the product continues to scale up, it generally leads to higher profit margin mainly due to the recurring subscription revenues without substantial incremental costs, and greater economies of scale and synergies in customer acquisition and retention and product development. For these reasons, the breakeven period for SaaS service providers, including those focusing their services on the HCM vertical market, is usually long, and it is common for cloud-based HCM solution companies around the world, including in the United States and China, to remain loss-making for over 15 years before becoming profitable. China's cloud-based HCM solutions market is still at an early stage of development, and most players including us have not made a profit yet.

For the past almost two decades, China's HCM market has undergone several major transformations, as detailed in "Industry Overview – HCM Market in China – Major Industry Transformations." Accordingly, we have constantly evolved our business throughout our history to stay ahead of industry trends at different stages of development. In particular, while we have been in operation for years, it was not until 2010 that we began to focus on developing and offering cloud-based HCM solutions, our current business focus, which marked our transformation into a cloud-based HCM solutions provider. In addition, our Core HCM Solutions, one of our key modules, was only launched in 2015, and it usually takes two to four years for a brand new module to achieve initial market acceptance with scalable revenue streams. Therefore, despite our inception in 2005, we have a relatively limited history operating our current business, and as a result, our historical profitability may not be indicative of our future performance.

More importantly, along all these industry transformations, we have clearly differentiated ourselves from our peers by consistently staying at the forefront of each transformation, proactively leveraging leading business models and technologies to deliver better products and build long-term customer relationships. These efforts have required us to constantly make substantial investments in product development and innovations, because each new stage of development, as it emerges, is driven by and requires significant investments in new and more advanced technologies, with limited industry standards or best practices for us, as an industry forerunner, to follow. A vast majority of our research and development expenses incurred in connection with these investments were labor costs in nature, which related to a growing number of our research and development staff dedicated to different R&D projects. For details of our investments and efforts in product development and innovations throughout each stage of industry development, see "Industry Overview – HCM Market in China – Major Industry Transformations." While these investments typically would not translate into immediate financial returns and have in part contributed to our historical loss-making positions, we believe that they are indispensable to achieving our current scale and market leadership, as well as long-term path to profitability. Moreover, we believe our growth strategy and prospects have also been well received by the market, as evidenced by the fact that we have successfully completed multiple rounds of pre-IPO financing, including from leading sophisticated investors, since 2010 to date. By implementing this strategy, we have achieved significant growth during the Track Record Period, paving the way for our long-term sustainable market leadership.

Primarily attributable to our historical investment in customer acquisition, customer engagement and product development and innovations for the above-mentioned reasons, we incurred adjusted net loss (non-IFRS measure), net operating cash outflows and net current liabilities during the Track Record Period. We expect that we may still record net loss and adjusted net loss (non-IFRS measure) in the near future, primarily due to the following reasons: (i) spending on selling and marketing to acquire customers and strengthen our brand awareness; (ii) investments in research and development to further enhance our HCM solutions and infrastructures; and (iii) employee related expenses due to rising personnel to support our business expansion, and the increased compensation levels including share-based compensation we provide to a select number of talents to incentivize them. Fair value changes of our redeemable convertible preferred shares are also expected to contribute to the substantial increase in our loss for the period till the completion of the Global Offering. However, we do not expect to record any further fair value changes of convertible redeemable preferred shares upon the completion of the Global Offering. In addition, we recorded accumulated losses of RMB1,100.2 million, RMB2,367.4 million, RMB3,307.6 million, RMB5,216.3 million and RMB5,379.1 million as of March 31, 2019, 2020, 2021 and 2022 and September 30, 2022, respectively. Our accumulated losses as of these dates were attributable primarily to our losses incurred in the past. We also recorded net liabilities throughout the Track Record Period, attributable primarily to the warrants and/or redeemable convertible preferred shares issued in connection with our Pre-IPO Investments. Upon completion of the Global Offering, our redeemable convertible preferred shares will be redesignated from financial liabilities to equity such that our current net liabilities position would turn into a net assets position.

As we continue to ramp up our business presence and enhance our brand awareness and economies of scale, we expect to attract new and retain existing customers and increase customer lifetime value more cost-effectively, thereby driving sustainable profitability. Additionally, we have continued to expand and optimize our offerings and invest in cutting-edge technologies to make our HCM solutions more integrated, easy-to-use and affordable. We expect these efforts to effectively broaden our revenue sources and expand our customer base, paving way for our long-term profitability. The expansion of our offerings also enables us to achieve economies of scale and synergies through the sharing of technology and operational capabilities as well as cross selling opportunities across different offerings.

Going forward, we plan to achieve long-term profitability primarily by further (i) expanding our customer base, (ii) expanding customers' usage of our solutions, and (iii) managing costs and improving operational efficiency.

Taking into account (i) the outlook of China's cloud-based HCM solutions market in which we operate, (ii) our detailed expansion plans aiming for the long-term growth as described above and in the section headed "Future Plans and Use of Proceeds," (iii) our proven historical business growth, and (iv) the fact that SaaS products like our cloud-based HCM solutions typically require upfront costs and expenses in relation to customer acquisition and retention and product development to drive market acceptance, and such costs and expenses often exceed the profit generated from recurring revenue stream in the initial period, resulting in a loss-making position, our Directors believe that our Group has a sustainable business.

For further information, see "Business—Business Sustainability."

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	For the year ended March 31,				For the six months ended September 30,	
	2019	2020	2021	2022	2021	2022
					(Unaudited)	
Total revenue growth (%)	N/A	19.9	21.3	22.2	27.7	12.1
Cloud-based HCM solutions	N/A	24.1	34.5	32.8	32.5	20.9
Professional services	N/A	14.9	4.1	4.3	18.8	(5.6)
Gross margin (%)	60.6	59.8	66.4	58.9	60.4	54.0
Cloud-based HCM solutions	80.1	77.4	80.6	76.6	78.3	74.8
Professional services	37.0	36.9	42.6	21.0	24.0	(0.1)
Adjusted net loss margin (non-IFRS Measure) (%)[1]	(72.8)	(54.9)	(21.8)	(24.1)	(25.6)	(43.4)

Note:

(1) Calculated using adjusted net loss (non-IFRS measure) divided by revenues for a given period.

Our overall gross margin decreased from 66.4% for the fiscal year ended March 31, 2021 to 58.9% for the fiscal year ended March 31, 2022, and our gross margin for professional services decreased from 42.6% for the fiscal year ended March 31, 2021 to 21.0% for the fiscal year ended March 31, 2022, primarily because we hired a number of new operation and product support staff in the fiscal year ended March 31, 2022 to improve customer services and experience and support our continuous business growth, whose work efficiency temporarily might not reach an optimum level during the course of orientation and onboarding training. To a lesser extent, the narrowed gross margins were also because we were no longer able to benefit from the PRC government's relief policies in response to the COVID-19 pandemic. The decrease in the gross margin for our professional services, particularly, was also attributable to the disposal of Beisen Shengya in September 2021. Beisen Shengya's career planning services generally have a higher gross margin profile than the remaining professional services.

Our overall gross margin and gross margins for our cloud-based HCM solutions and professional services decreased for the six months ended September 30, 2022. In late 2021 and early 2022 when our business gradually recovered from the prior impact of the COVID-19 pandemic as it came under control in China, we increased investments in expanding our operation and product support teams to improve customer services and experience and support our continuous business growth. This resulted in incremental cost of revenues associated with employee benefits for these newly hired operation and product support staff, which was registered under both our cloud-based HCM solutions and professional services, as the case may be. However, our revenue did not grow as anticipated during the six months ended September 30, 2022 amid the unexpected waves of new COVID-19 outbreaks across China, which has led to the aforesaid decreases in gross margins. The decrease in gross margin for our cloud-based HCM solutions, to a lesser extent, was also due to the increased depreciation and amortization expenses associated with our servers, as well as fees and costs incurred in connection with third-party services, such as server custody services and cloud computing services. The decrease in the gross margin for our professional services, particularly, was also attributable to the disposal of Beisen Shengya in September 2021. Beisen Shengya's career planning services generally have a higher gross margin profile than the remaining professional services.

Gross margin for our cloud-based HCM solutions is typically higher than that for our professional services. This is because our HCM solutions are cloud-based, standard SaaS products that generate recurring subscription revenues with limited incremental costs. Gross margin for our professional services fluctuated during the Track Record Period primarily as a result of the movement in headcount for our operation and product support staff to meet our business needs at different times.

See "Financial Information—Period-to-Period Comparisons of Results of Operations" for a detailed period-over-period discussion of our overall gross margin and gross margin by offering type.

KEY OPERATING DATA

The following table sets forth certain of our key operating metrics for the periods indicated. These operating metrics are commonly adopted in our industry, and the calculation methodology relating to these operating metrics is consistent with the industry norm.

	For the fiscal year ended/As of March 31,				For the trailing twelve months ended/ As of September 30,	
	2019	2020	2021	2022	2021	2022
Total number of customers	3,334	3,889	4,288	4,780	4,598	4,963
Total bookings (RMB in millions)[(1)]	437.4	570.0	729.3	887.7	830.1	907.9
Subscription revenue retention rate (%)[(2)]	102	105	113	117	119	113
ARR (RMB in millions)[(3)]	262.2	328.3	444.6	581.8	532.7	618.9
ARR per customer (RMB)[(4)]	78,655	84,410	103,675	121,716	115,850	124,697
ARR for customers who subscribe for more than one cloud-based HCM solution as a percentage of total ARR (%)[(5)]	51.8	51.5	60.9	66.6	65.1	68.6
Percentage of customers who subscribe for more than one cloud-based HCM solution (%)[(6)]	22.8	24.1	31.2	36.1	27.9	38.7
Average subscription per customer[(7)]	1.3	1.3	1.5	1.6	1.4	1.7

Notes:

(1) Total bookings measures the aggregate value of contracts signed during any particular period, including subscriptions to our cloud-based HCM solutions and purchases of our professional services, that occur during that period. With respect to a particular contract, total bookings are recorded when the contract is signed.

(2) We use subscription revenue retention rate to measure growth in revenue generated from existing customers of our cloud-based HCM solutions over time. To calculate such metric for a current 12-month period, we first identify those customers who generated cloud-based HCM solution revenue in the prior 12-month period (the "Trailing Twelve Months") and then identify those among them who generated cloud-based HCM solution revenue in the current 12-month period. We then calculate the subscription revenue retention rate by dividing the subscription revenue such customers generated in the current 12-month period, by our total subscription revenue in the Trailing Twelve Months. The subscription revenues used in calculating our subscription revenue retention rate are based on our internal management accounts.

(3) ARR refers to an aggregate of the annualized value of the revenue from the subscription of our cloud-based HCM solutions by each customer as of any particular date. With respect to any particular subscription, ARR is recorded on the effective date of such subscription as provided in the subscription agreement.
(4) ARR per customer equals the ARR divided by the total number of customers as of any particular date.
(5) calculated by dividing ARR for customers who subscribe for more than one cloud-based HCM solution as of any particular date by total ARR as of the same date.
(6) calculated by dividing the number of customers who subscribe for more than one cloud-based HCM solutions as of any particular date by the total number of customers as of the same date.
(7) calculated by dividing the total number of subscriptions as of any particular date by the total number of customers as of the same date.

During the fiscal year ended March 31, 2021, the increase of our total bookings has generally outpaced our revenue growth. Specifically, our revenues grew by 21.3% from the fiscal year ended March 31, 2020 to the fiscal year ended March 31, 2021, whereas our total bookings increased by 27.9% year-over-year during the same periods. This was primarily because we disposed of Ruizheng HR Management in July 2020, which partially offset our revenue growth during the relevant periods. In contrast, the disposal of Ruizheng HR Management did not have any material impact on our historical total bookings growth, because Ruizheng HR Management did not engage in the provision of HCM solutions and therefore we do not take account of Ruizheng HR Management when calculating our total bookings during the Track Record Period. Ruizheng HR Management was primarily engaged in human resources consulting services. We recorded a 22.2% and 21.7% increase in our revenues and total bookings, respectively, from the fiscal year ended March 31, 2021 to the fiscal year ended March 31, 2022. Our revenue growth for the fiscal year ended March 31, 2022 was partially offset by our disposal of Beisen Shengya, which was primarily engaged in the provision of career planning services, in September 2021.

THE IMPACT OF AND OUR RESPONSE TO COVID-19

Since the end of December 2019, the outbreak of a novel strain of coronavirus, or COVID-19, has materially and adversely affected the Chinese and global economy. In response to the COVID-19 pandemic, including the recent recurrence of the Omicron variant of COVID-19 around the end of 2021 in China and across the world, the PRC government has imposed mandatory quarantine, closure of workplaces and facilities, travel restriction and other related measures to contain the spread of the virus. The COVID-19 pandemic has also caused temporary disruptions to our business operations when the COVID-19 pandemic peaked in China in February 2020. Despite such temporary disruptions caused by the COVID-19 pandemic, we had maintained strong revenue growth throughout the Track Record Period.

Since the outbreak, we had benefited from the PRC government's relief policies in response to the COVID-19 pandemic, primarily the reduction in the amount of social insurance contributions. We were allowed to reduce approximately RMB4.8 million and RMB17.5 million of social insurance contributions for the fiscal years ended March 31, 2020 and 2021, respectively. We has ceased to be entitled to such benefit since January 1, 2021, and therefore no reduction was recorded in other periods during the Track Record Period.

Since the beginning of 2022, the Omicron variant of the COVID-19 virus has resurged in China, resulting in city-wide lockdowns in a number of Chinese cities, and also heightened epidemic prevention measures in general across China to curb the momentum of the outbreak. This caused disruptions to varying degrees to normal business activities in China, including our operations. To the extent the industries in which our existing and prospective customers operate were heavily impacted by the new outbreaks across China, the COVID-19 pandemic had resulted in a prolonged decision-making process of these customers with respect to subscriptions or renewal subscriptions to our solutions and services. During the citywide lockdowns in certain cities across China, certain of our marketing activities and customer services had been temporarily delayed to the extent that physical meetings with our customers or large-scale on-site services were otherwise required or preferred. China began to modify its zero-COVID policy in late 2022, and most of the travel restrictions and quarantine requirements were lifted in December 2022. There were significant surges of COVID-19 cases in many cities in China during this time, which disrupted our and our customers' operations due to an increased number of employees contracted with COVID-19. As a result, our total bookings were RMB254.8 million in the fourth quarter of 2022, representing a 2% year-over-year decrease from RMB260.0 million during the same time in 2021. The growth of our ARR also slowed amid the COVID-19 pandemic, increasing slightly to RMB626.3 million as of December 31, 2022 from RMB618.9 million as of September 30, 2022. The worsened COVID-19 situations in the PRC (including the prolonged city-wide lockdown in major cities in which the Company operates), the significant surges of COVID-19 cases across China and the resulting disruptions to our and our customers' operations have also led to decreases in our subscription revenue retention rate. Our subscription revenue retention rate decreased from 119% for the trailing twelve months ended September 30, 2021 to 113% for the trailing twelve months ended September 30, 2022, and decreased further to 109% for the trailing twelve months ended December 31, 2022.

Nevertheless, our Directors are of the view that the COVID-19 pandemic, and particularly the latest resurgence of Omicron variant in China, had not materially adversely affected our business, results of operations or financial condition as of the Latest Practicable Date, on the basis that (i) we achieved a revenue growth for the six months ended September 30, 2022 despite the impacts from the COVID-19 pandemic, (ii) our operating results remained stable in January 2023, as evidenced by a 6.7% increase in our total bookings as compared to January 2022, as well as our ARR as of January 31, 2023 remaining at a similar level as that as of December 31, 2022, and (iii) as of the Latest Practicable Date, our business operations had fully resumed as the pandemic situation continued to improve in China.

For more information on the impact of the COVID-19 outbreak on our business, see "Financial Information—The Impact of and Our Response to COVID-19" and "Risk Factors—Risks Related to Our Business and Industry—Our business operations have been, and may in the future continue to be, adversely affected by the COVID-19 pandemic."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Prospectus, there has been no material adverse change in our financial or trading position or prospects since September 30, 2022, being the latest period reported on in the Accountant's Report, and there has been no event since September 30, 2022 that would materially affect the information shown in the Accountant's Report set out in Appendix I.

DIVIDENDS

As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our Shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board. Throughout the Track Record Period, we did not pay or declare any dividend. Currently, we do not have a formal dividend policy or a fixed dividend distribution ratio.

OUR SHAREHOLDING STRUCTURE AND OUR SINGLE LARGEST GROUP OF SHAREHOLDERS

As at the Latest Practicable Date and immediately prior to the Global Offering, Mr. Wang controlled 28.15% of the aggregate voting power of our total issued and outstanding Shares, through (i) Zhaosen, which is controlled by Huisen Holding Limited, a limited company wholly owned by Sen Talent Holdings Limited, and in turn wholly owned by Ark Trust (Singapore) Ltd., the trustee for a trust established by Mr. Wang (as settlor and protector) for the benefit of Mr. Wang and his family, (ii) Ms. Zhou, being Mr. Wang's spouse, (iii) Senyan, an employee shareholding platform incorporated in BVI and wholly owned by Xiasen Limited, which is controlled by Mr. Wang as its general partner, and (iv) the Offshore AIC Parties, being Mr. Wang, Mr. Ji, Zhaosen, Weisen and Senyan, all of which agreed, among other things, to vote at the Shareholders' meetings in accordance with the instructions of Mr. Wang in relation to all matters put before the Shareholders or cause the Director appointed by the Offshore AIC Parties to vote pursuant to the opinion of Mr. Wang in relation to all matters put before the Board, pursuant to the Offshore Acting-in-concert Agreement. Weisen is controlled by Guosen Holding Limited, a limited company wholly owned by Sen Platform Holdings Limited, and in turn wholly owned by Ark Trust (Singapore) Ltd.. For details of the arrangements agreed among the Offshore AIC Parties, see "History, Reorganization and Corporate Structure—Acting in Concert Arrangements—Offshore Acting-in-concert Agreement". Therefore, Mr. Wang, Mr. Ji, Zhaosen, Weisen, Senyan, Ms. Zhou, Huisen Holding Limited, Sen Talent Holdings Limited, Guosen Holding Limited, Sen Platform Holdings Limited, Ark Trust (Singapore) Ltd. and Xiasen Limited comprise our Single Largest Group of Shareholders before the Listing.

Immediately following the completion of the Global Offering and the Share Subdivision (assuming that (a) the Over-allotment Option is not exercised; (b) 23,761,790 Shares will be issued pursuant to the exercised options under the Pre-IPO Share Option Plan upon Listing; and (c) no other shares are issued pursuant to the Pre-IPO Share Option Plan), our Single Largest Group of Shareholders will continue to control approximately 26.89% of the aggregate voting power of our total issued and outstanding Shares and will remain as our Single Largest Group of Shareholders upon Listing. For details of the shareholding of our Single Largest Group of Shareholders immediately prior to and following the completion of the Global Offering, see "History, Reorganization and Corporate Structure".

OUR PRE-IPO INVESTORS

Since the establishment of our Group, we have entered into several rounds of financing agreements with the relevant Pre-IPO Investors. Our Pre-IPO Investors include experienced investors covering, among others, information technology, consumer discretionary and financials industries, who can share their experience on brand building and market expansion as well as their insight on business strategies workplace operations, along with professional institutional investors who can provide us with professional advice on our Group's corporate governance, financial reporting and internal control. See "History, Restructuring and Corporate Structure—Pre-IPO Investments—Information about Our Pre-IPO Investors" for further details of the identity and background of the Pre-IPO Investors.

GLOBAL OFFERING

The Global Offering comprises (subject to reallocation and the Over-allotment Option):

(a) the Hong Kong Public Offering of 804,400 Shares (subject to reallocation as mentioned below) for subscription by the public in Hong Kong as described in "—The Hong Kong Public Offering" below; and

(b) the International Offering of 7,239,600 Shares (subject to reallocation and the Over-allotment Option as mentioned below) outside the United States (including to professional and institutional investors within Hong Kong) in offshore transactions in reliance on Regulation S and in the United States only to QIBs in reliance on Rule 144A or any other available exemption from registration under the U.S. Securities Act as described in "Underwriting—Underwriting Arrangements and Expenses—International Offering" below.

The Offer Shares will represent approximately 1.1% of the enlarged issued share capital of our Company immediately after completion of the Global Offering without taking into account the exercise of the Over-allotment Option. If the Over-allotment Option is exercised in full, the additional International Offer Shares will represent approximately 0.2% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the exercise of the Over-allotment Option as set out in "Underwriting—Underwriting Arrangements and Expenses—International Offering—Over-allotment Option" below.

OFFERING STATISTICS

	Based on an Offer Price of HK$29.70
Market Capitalization(1)	HK$21,244,322,682
Unaudited pro forma adjusted net tangible assets per share(2)	HK$2.17

(1) The calculation of market capitalization is arrived on the basis that 715,297,060 Shares are issued, immediately upon completion of the Global Offering, the Share Subdivision and the redesignation of the Preferred Shares in issue, assuming (i) the Over-allotment Option is not exercised, (ii) 23,761,790 Shares are issued pursuant to the exercised options under the Pre-IPO Share Option Plan immediately after Global Offering and Share Subdivision and (iii) no other Shares are issued pursuant to the Pre-IPO Share Option Plan.

(2) The unaudited pro forma adjusted net tangible assets per share is arrived at after the adjustments referred to in "Appendix II— Unaudited Pro Forma Financial Information" on the basis that 715,297,060 Shares are issued, immediately upon completion of the Global Offering, the Share Subdivision and the redesignation of the Preferred Shares in issue, assuming (i) the Over-allotment Option is not exercised, (ii) 23,761,790 Shares are issued pursuant to the exercised options under the Pre-IPO Share Option Plan immediately after the Global Offering and Share Subdivision, and (iii) no other Shares are issued pursuant to the Pre-IPO Share Option Plan.

LISTING EXPENSES

Our listing expenses mainly include (i) underwriting-related expenses, such as underwriting fees and commissions, and (ii) non-underwriting-related expenses, comprising professional fees paid to our legal advisors and Reporting Accountant for their services rendered in relation to the Listing and the Global Offering, and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total listing expenses (based on the Offer Price of HK$29.70 per Offer Share and assuming that the Over-allotment Option is not exercised) for the Global Offering are approximately HK$84 million, accounting for approximately of 35.1% of our gross proceeds. Among such estimated total listing expenses, we expect to pay underwriting-related expenses of HK$11 million, professional fees paid to our legal advisors and Reporting Accountant of HK$43 million and other fees and expenses of HK$30 million. An estimated amount of HK$70 million for our listing expenses, accounting for approximately 29.4% of our gross proceeds, is expected to be expensed through the statement of profit or loss and the remaining amount of HK$14 million is expected to be recognized directly as a deduction from equity upon Listing. We did not record any listing expenses for the fiscal years ended March 31, 2019, 2020 and 2021. For the fiscal year ended March 31, 2022 and the six months ended September 30, 2022, we recorded listing expenses (excluding underwriting-related expenses) of RMB19.7 million and RMB6.4 million, respectively. Our Directors do not expect such expenses to have a material and adverse impact on our financial results for the fiscal year ending March 31, 2023.

USE OF PROCEEDS

Based on the Offer Price of HK$29.7 per Offer Share, the estimated net proceeds of the Global Offering which we will receive after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Global Offering (assuming the Over-allotment Option is not exercised) is HK$155.0 million.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes, based on the Offer Price of HK$29.7 per Share:

- Approximately 35% or approximately HK$54.3 million will be allocated over the next five years to further upgrade our integrated cloud-based HCM solutions.
- Approximately 30% or approximately HK$46.5 million will be allocated over the next five years to continue to enhance our technology development capabilities.
- Approximately 15% or approximately HK$23.3 million will be invested over the next five years to strengthen our sales and marketing efforts.
- Approximately 10% or approximately HK$15.5 million will be allocated over the next five years to enhance our customer success and service capabilities.
- Approximately 10% or approximately HK$15.5 million is expected to be used for working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, and net proceeds that we will receive will be approximately HK$189.3 million, based on the Offer Price of HK$29.7 per Share. In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above on a pro rata basis.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by the relevant law and regulations, we will only place the net proceeds as short-term deposits only at licensed banks or financial institutions, as defined under the PRC laws, located in the PRC. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

For details, see "Future Plans and Use of Proceeds."