This summary aims to give you an overview of the information contained in this document. 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 in conjunction with, the full text of this document. You should read the entire document before you decide to invest in the [**REDACTED**].

There are risks associated with any investment. Some of the particular risks in investing in the [**REDACTED**] *are set out in "Risk Factors." You should read that section carefully before you decide to invest in the* [**REDACTED**].

OVERVIEW

We primarily provide one-stop office IT services on a subscription basis to enterprise customers consisting mainly of SMEs. We mainly compete in the office IT integrated solution market, a fast-growing segment whose penetration rate in the enterprise office IT service market increased from 0.3% in 2017 to 3.3% in 2021, and is expected to further grow to 16.9% in 2026. We had a market share of 0.6% in the enterprise office IT service industry in terms of revenue in 2021, according to Frost & Sullivan. In 2021, we ranked first in the office IT integrated solution industry in China in terms of revenue, number of devices under service, and remanufacturing capacity, respectively, with a market share of 19.6% by revenue, according to the same source.

During the Track Record Period, we have mainly generated revenue from pay-as-you-go office IT integrated solutions, sales of devices, and SaaS and other services.

- **Pay-as-you-go office IT integrated solutions:** We provide our office IT integrated solutions primarily via the pay-as-you-go subscription method. The pay-as-you-go subscription method is a flexible arrangement through which we provide hardware and handle device configuration, device/engineer deployment, operation and maintenance support, performance optimization, and device management services, such as order placement, subscription management, on-site inspection and bulk shipment of the devices, all under one service pack while customers can subscribe and unsubscribe to the office IT service flexibly based on their evolving needs.

- **Sales of devices:** In addition to our pay-as-you-go office IT integrated solutions, we offer customers the opportunity to purchase our devices, in response to certain customers' needs. Customers can purchase the devices in installments, and the ownership of the devices are transferred to the customers when the devices are delivered to customers. In addition, we may sell pre-owned devices at commercially favorable prices through our online bidding platform, Epaiji, to optimize our device portfolio, and supplement our revenue streams.

- **SaaS and other services:** We developed our SaaS product to meet customers' multiple digitalization needs. Our SaaS product, Epandian, is designed to help enterprise customers manage their assets and inventories from asset procurement and storage to usage and disposal for an annual subscription fee. Epandian allows customers to visualize and streamline assets and inventories operations and enables customers to track and manage portfolios of assets and inventories with transparency.

In particular, focusing on customers' IT experience, we provide office IT integrated solutions, covering (a) IT devices, such as desktops, laptops and monitors, pre-installed with operating systems, selected software including, but not limited to, office suite, drivers, anti-virus programs, instant messengers and our self-developed office IT management tools such as printer auto-configuration programs, and (b) managed IT services, including device configuration, device/engineer deployment, operation and maintenance support, performance optimization, data migration, back-up and erasing, and various device management services, such as order placement, subscription management, on-site inspection and bulk shipment of the devices, to address our customers' needs through all stages of the use of the devices. We have also developed a SaaS product, Epandian, to meet customers' digitalization needs.

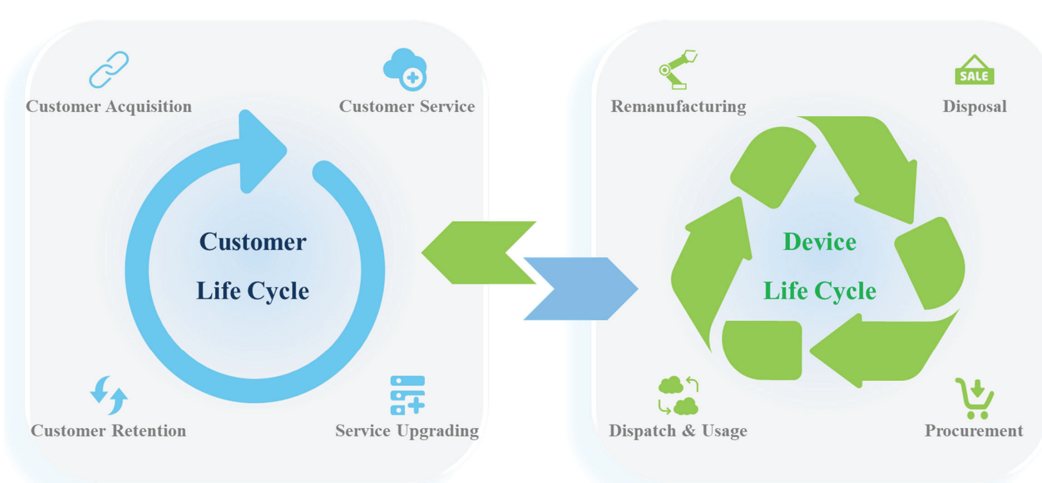
Leveraging our nationwide service capability, self-developed system named "Nebula" and industry-leading remanufacturing technology, we provide one-stop, stable and flexible services to help our customers maximize office IT uptime, improve efficiency, enhance employee productivity and drive business growth. Differentiated from device repair and replacement/maintenance process, our remanufacturing process involves precise identification of the cause of the malfunction, and repair of only the faulty unit as necessary, reconditioning a device to at least its original performance specifications and default configurations and extending the device's service life. For example, we might replace only the broken LED component on a laptop screen, which is more cost-efficient than traditional refurbishment method, which typically replaces the defective screen as a whole. Furthermore, to improve our operational efficiency, we have developed Nebula system, containing a collection of internal management functions such as visualization for devices, capacity planning, customer relationship management, and service capability, connecting our operations from front-end to backend. See "Business – Our Technology and Infrastructure – Our Digitalization Technology." As of December 31, 2022, we had approximately 42,000 subscribing enterprise customers and approximately 1.1 million devices under subscription. See "Business – Overview – Who We Are."

The market size of enterprise office IT services is expected to increase from RMB156.0 billion in 2021 to RMB213.9 billion in 2026, according to Frost & Sullivan. The enterprise office IT service market consists of direct buyout mode and usage-based mode. The "usage-based mode" refers to a relatively more flexible mode of enterprise office IT services where enterprise office IT services are provided on demand and priced based on actual IT resource used. Unlike the direct buyout mode where enterprises directly purchase IT devices and software licensing from PC brands, software vendors and distributors, enterprises adopting the usage-based service mode usually do not own the office IT devices they use. See "Industry Overview – Enterprise Office IT Service Industry – Overview" and "Business – Overview – Our Market Opportunity."

The usage-based service mode has helped SMEs to address the pain points brought by the traditional office IT direct buyout mode, such as limited office IT operating capability, lack of external technical support as well as hidden costs and inconsistent service quality. Based on availability of managed IT services, the usage-based office IT market can be further divided into the device rental service and office IT integrated solution segments. In 2021, the market size of the office IT integrated solution market in China represented 3.3% of the enterprise office IT service industry and 72.9% of the usage-based office IT industry in China, according to Frost & Sullivan. The office IT integrated solution segment is expected to exceed the device rental service segment and drive the growth of the usage-based office IT market. See "Business – Overview – Our Market Opportunity."

Currently, China's enterprise office IT service market is still dominated by the enterprises who mainly operate under the direct buyout mode. The market under the direct buyout mode in China's enterprise office IT service market has been relatively highly concentrated since 2010, with PC brands being the leading market players and taking up a significant market share. However, the market under the direct buyout mode has evolved into the long-term stable stage with an expected CAGR of less than 5% from 2021 to 2026. In the meanwhile, the market of usage-based service mode is expected to significantly grow. As compared with a market penetration rate of 60.0% in terms of the number of devices in the United States, the usage-based office IT industry in China is still in its early stage of development with a penetration rate of 3.2%, representing enormous growth potential. The usage-based office IT industry has become the fastest growing market segment of the enterprise office IT service industry, and its market size is expected to reach RMB37.7 billion in 2026, representing a CAGR of 40.2% from 2021 to 2026, according to Frost & Sullivan.

Our Business Model



Our business model evolves from the integration of customer life cycle and device life cycle.

Customer life cycle represents our customer-oriented service proposition, which spans the whole process related to delivery of office IT integrated solutions to customers, from acquisition of enterprise customers who are in demand for office IT integrated solutions, to provision of stable and timely services including broad technical support for ongoing operations, upgrade of services, and customer retention. We engage with customers at each stage throughout the life cycle in provision of office IT integrated solutions to expand and cultivate our customer relationships, improve customer satisfaction, and ultimately drive business growth.

Device life cycle is crucial for enhancing our business profitability and sustainability. Focusing on the back-end architecture of our business, our device life cycle spans from procurement, dispatch and usage to remanufacturing and disposal of devices. Each stage is critical in terms of a device's performance and lifespan. With our remanufacturing technologies, we can extend the service lives of devices to, on average, two to three times their original lifespan, which greatly improves our operational efficiency and drives our profitability. Moreover, our competitive advantage in device circulation reduces waste and fulfills our commitment to environmentally friendly operations. Specifically, we enable our devices with extended service lives to be reused by multiple customers in succession.

See "Business – Overview – Our Business Model."

Our Value Proposition

We endeavor to make office IT easier and aim to become the go-to partner for enterprises for improved IT productivity and efficiency. We distinguish ourselves from our competitors by offering office IT service packs with the following benefits:

- **One-stop services:** Our office IT integrated solutions provide our customers with a one-stop office IT solution that delivers IT devices installed with systems and software as well as managed IT services. Our customers obtain bundled devices and broad technical support for ongoing operations, including device configuration, device/engineer deployment, operation and maintenance support, performance optimization, and device management services, such as order placement, subscription management, on-site inspection and bulk shipment of the devices. Unlike traditional device rental service providers, whose service scope is limited to basic maintenance for leased hardware devices by engaging third parties, we offer software and system maintenance and data services through our own service team to meet the customer's expected service levels. Reaching out to us as a single point of contact responsible for all of our customers' office IT needs, our customers avoid the trouble of engaging multiple office IT suppliers. For example, a customer does not need to reach out to PC brands or distributors to purchase devices and then engage separate IT service providers for repair and maintenance or IT operation. In addition, our customers avoid hidden costs because our one-stop service process enables them to gain clear visibility into and predictability of their office IT spending. Through such one-stop, stable and flexible services, we help our customers maximize office IT uptime, save operating expenses, enhance employee productivity and drive business growth.

- **Reliability:** Under a managed IT service model, we have retained responsibility for the functionality of the IT devices installed with systems and software as well as services, and shifted the burden of maintaining office IT from our customers to us. Leveraging our nationwide service capability, we provide on-site technical support within optimal response time upon requests of our customers. We provide 24/7 IT support and assistance through remote help desk services to handle customers' daily requests from routine inspections to system upgrades. We have implemented quality control standards both internally and externally to enhance customer experience. We perform preliminary diagnostics on hardware issues during regular on-site visits to proactively address minor hardware issues before they escalate into expensive and unplanned outages, and thereby minimize office IT downtime.

- **Flexibility:** To meet our customers' fluctuating needs affected by constant employee turnover, we provide pay-as-you-go office IT integrated solutions in a subscription method where customers can adjust their subscription services on demand, without having to purchase their own devices, experience difficulties in recovering the residual value of the devices, and incur excessive IT overheads.

We enjoy a number of competitive advantages over traditional device rental service providers, primarily in that (i) we offer broad technical support for ongoing operations to meet the customer's expected service levels; (ii) we offer other value-added services such as asset and device stock management tools and offerings of accessory packages. As such, our customers no longer need to operate the office IT devices on their own or procure additional service providers. Rather, our services meet the majority of their operational needs, offering more convenience and better customer experience. Moreover, according to Frost & Sullivan, our subscription fee is typically lower than the rental fee that traditional device rental service providers charge for the same type of devices with the same service scope, because we are able to increase our operating efficiency with strong remanufacturing technology while traditional device rental service providers need to incur higher costs in relation to device maintenance, device repair and component replacements, which are usually furnished by third-party service providers.

The table below sets forth differences between our office IT services and the traditional device rental service providers:

Items	Software and Service						Hardware		
	Software customization	System Diagnosis &Troubleshooting	Office Collaborative Solution	Cybersecurity Monitoring	Asset & device stock management	Online after-sale service	Offering of accessories packages	Hardware Configuration	Hardware Maintenance and Replacement
Integrated Solution Mode	◕	◕	◕	◕	◕	◕	◕	◕	◕
Sample References	Customized pre-installment service: - office productivity software - Enterprise operation software (ERP etc.)	Mature capabilities: - System performance enhancement - Operation optimization with on-site engineers	Mature capabilities: - remote meetings - virtual private network and etc.	Offering: - cybersecurity-mgt software - enterprise data-mgt solutions (data storage, back-up, transfer, etc.)	Offering: - SaaS product for daily device-mgt purpose	Mature capabilities: - independent after-sales team - Mature Q&A advisory capabilities	Offering: - full set of office accessories (printers, displays, tablets, projectors, etc.) - mainstream brands coverage	Mature capabilities: - hardware configuration, deployment and maintenance (memory, graphics card, CPU, battery, etc.)	
Traditional Rental	◔	○	○	○	○	◔	◑	◔	◔
Sample References	- office productivity software only (office suites, etc)	Commonly no such professional service				Very limited capabilities on technical Q&As	Offering: - common accessories only, (printers and cables) - few brands	- limited hardware technical capabilities - mainly relies on third-parties	

○ Not provided: commonly has no such professional service

◔ Limited: only provides very few of such service / mainly depends on other third-party capabilities

◑ Fair: provides a few of such services / has independent capabilities

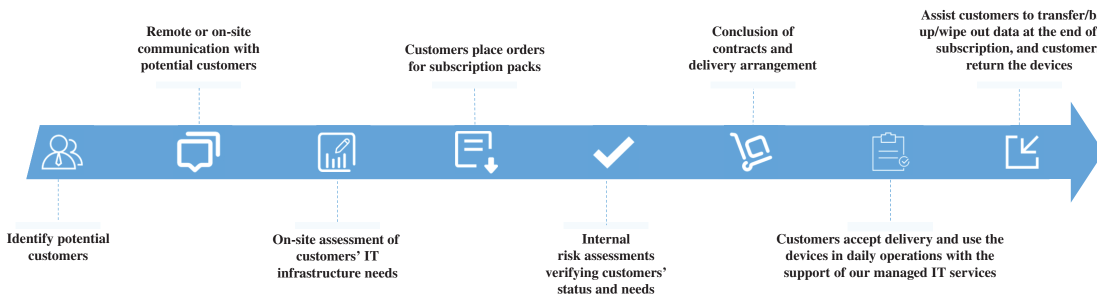
◕ Good: could provide most of such services / has mature independent capabilities to deal with customer-oriented requirements (if applicable)

Source: Frost & Sullivan

See "Business – Overview – Our Value Proposition."

Our Business Flows

Business flow of our office IT integrated solutions



The operational process of our office IT integrated solutions includes the following steps: (i) our salespeople identify potential customers; (ii) we communicate with potential customers through our sales team either remotely or through on-site visits; (iii) we conduct on-site assessment of customers' needs for IT devices installed with systems and software through our sales team, customer success team, and engineers; (iv) customers place orders for subscription packs with subscription term on a monthly basis, usually ranging from one month to three years; (v) we conduct internal risk assessments verifying a customer' status and needs; (vi) we sign contracts with customers and arrange delivery of the devices; (vii) customers inspect and accept delivery; (viii) customers use the devices during daily operations with the support of our managed IT services; and (ix) customers return the devices at the end of the subscription and we offer on-site return services to those customers who have a large number of devices under subscription, from on-site device inspection to bulk shipment. Such services are contained in our subscription packs and we do not charge customers based on different elements of our services.

We provide an array of IT hardware and devices for the use of our customers' employees at work, such as desktops, laptops and monitors, under our subscription packs. Most of the IT hardware and devices provided are owned by ourselves. We purchase new IT hardware and devices from third parties such as PC and other hardware brands or distributors and in turn offer both brand new devices and used devices to our customers as part of the subscription package. We also provide a portion of leased-in devices which we acquire from third parties through finance leasing arrangements. As of December 31, 2020, 2021 and 2022, the carrying amount of our self-owned devices amounted to RMB1,236.5 million, RMB1,616.0 million and RMB1,457.0 million, respectively, and the carrying amount of our leased-in rental computer devices amounted to RMB96.8 million, RMB379.5 million and RMB459.3 million, respectively.

Business flow of our sales of devices

We offer customers the opportunity to purchase our devices. The operational process for sales of our devices includes the following steps: (i) our existing subscribing customers initiate the requests to our salespeople or customer success team to buy out their devices in-use, or new or existing customers initiate the requests to our salespeople or customer success team to purchase our devices directly, (ii) we sign contracts with customers, (iii) for the customers who are not buying out the devices already in their possession, we arrange delivery of the devices and customer inspect and accept delivery, and (iv) customers who purchase in installments use the devices during daily operation with the support of our managed IT services.

During the Track Record Period, the number of IT devices subsequently sold upon termination of leasing arrangement amounted to 13,956, 15,227 and 16,225 in 2020, 2021 and 2022, respectively, accounting for 1.8%, 1.4% and 1.5% of the total number of devices under subscription during the same periods, respectively.

In addition, we also sell pre-owned devices at commercially favorable prices through our online bidding platform, Epaiji. The operational process for sales of our devices on Epaiji includes the following steps: (i) we first sort our surplus devices into different categories, such as laptops, desktops, and device components; (ii) we post the information of such devices on our platform with an opening bid; (iii) after at least ten bidding rounds with over five participants, the customer offering the highest bid wins and receives the devices at the second highest bid price; and (iv) we sign contracts with the customers and arrange delivery of the devices.

Business flow of our SaaS and other services

The operational process of our SaaS includes the following steps: (i) our salespeople identify potential customers; (ii) we communicate with potential customers through our sales team either remotely or through on-site visits; (iii) we sign contracts with customers; and (iv) we provide product knowledge training sessions to the subscribing customers.

Key Operating Data

The following tables set forth certain of our key operating metrics for the periods specified:

	As of December 31,		
	2020	**2021**	**2022**
Number of active customers[1]	**28,655**	**38,774**	**43,313**
– Number of subscribing customers[2]	27,975	37,966	42,343
– Number of non-subscribing customers who purchased device(s) in installments[3]	680	808	970
Number of SaaS customers	**1,694**	**2,065**	**2,060**
Number of devices under service	**798,145**	**1,121,744**	**1,115,468**
– Number of devices under subscription	755,166	1,077,345	1,092,857
– Number of devices under installment purchase	42,979	44,399	22,611

	For the year ended December 31,		
	2020	**2021**	**2022**
Subscription fee per subscribing customer *(RMB)*[4]	22,997	26,284	27,517
– Customer retention rate[5]	72%	71%	73%
– Percentage of customers terminating subscriptions in advance[6]	27%	26%	23%
Number of devices sold	**100,293**	**109,786**	**177,360**
Number of remanufactured devices[7]	462,491	608,461	739,743

	For the year ended December 31,		
	2020	**2021**	**2022**
NDRR[(8)]	110.6%	128.5%	101.6%
NDRR[(8)] for pay-as-you-go office IT integrated solutions	111.1%	130.5%	102.0%

Notes:

(1) The number of active customers as of the end of a month is calculated as the number of customers who have made payments during the month, substantially all of whom are customers of our pay-as-you-go office IT integrated solutions.

(2) The number of subscribing customers includes 2,626, 3,037 and 2,062 subscribing customers who also purchased devices in installments and had not completed full payments as of December 31, 2020, 2021 and 2022, respectively.

(3) The number of non-subscribing customers who purchased devices in installments represents non-subscribing customers who had purchased our devices in installments and had not completed full payments as of December 31, 2020, 2021 and 2022.

(4) The subscription fee per subscribing customer is calculated by dividing our revenue from pay-as-you-go office IT integrated solutions in the respective period by the number of subscribing customers in the respective period. We experienced increase in subscription fee per subscribing customer from 2020 to 2021 primarily due to (i) an increase in NDRR, (ii) an increase in number of devices each subscribing customer subscribed to on average, and (iii) an increase in the percentage of our devices which generally charge with higher subscription fee.

(5) The customer retention rate is calculated by dividing the number of original subscribing customers at the end of the period by the number of subscribing customers at the beginning of the period. The number of original subscribing customers at the end of the period is calculated by subcontracting the number of customers whose subscription terminated/expired from the number of subscribing customers at the beginning of the period.

(6) Percentage of customers terminating subscription in advance is calculated by dividing the number of customers terminating subscription in advance by the number of subcribing customers at the beginning of the period. In 2020, 2021, and 2022, the number of customers terminating subscription in advance was 5,703, 7,311 and 8,864, respectively.

(7) The number of remanufactured devices in a period represents the total production volume of our remanufacturing factory network during the same period. The increase of the number of remanufactured devices during the Track Record Period was primarily due to our increasing need for remanufacturing of the devices, as a growing number of devices were procured and utilized to meet the customer demand driven up by our enlarged customer base and business expansion.

(8) Net dollar retention rate, a metric used to measure a company's customer retention. We experienced a decrease in NDRR and NDRR for pay-as-you-go office IT integrated solutions in 2022 primarily because although our customers largely maintained business relationship with us, growth in demands from our customers was moderated during the same year, primarily in relation to such customers' lowered rate of business growth or even downsized workforce. In 2020, 2021 and 2022, we had a customer retention rate of 72%, 71% and 73%.

See "Business – Our Business – Key Operating Data."

During the Track Record Period, our subscription fee typically ranges from RMB60 to RMB1,007 per month and our annual service fee for our SaaS product, Epandian, ranges from RMB1,280 to RMB13,980. During the Track Record Period, the average sales value of our devices was RMB1,568, RMB1,573 and RMB1,032 in 2020, 2021 and 2022, respectively. We have the ability to optimize our device portfolio by disposing of devices at commercially favorable prices through our online bidding platform, Epaiji, which in turn lowers the volume of idle devices and increases the our device utilization and operational efficiency. We have implemented comprehensive inventory management measures during the Track Record Period and have achieved a high utilization rate of our devices, being approximately 89%, 92% and 91% in 2020, 2021 and 2022, respectively. We closely monitor the changes in inventory levels to ensure smooth operations with low inventories. In addition, we dynamically adjust our inventory of different types of devices and components, and determine local inventory levels based on the actual needs of our customers in that region.

The number of our active customers, devices under service and devices sold to customers experienced a continuous increase during the Track Record Period. Such growth was driven by, among others, (i) the growing number of SMEs in China, their adoption and acceptance of managed IT services and the resulting growth of demand for digitalization, (ii) our enhanced brand image and improved customer experience, (iii) our diversified service offerings and deepening penetration into office IT service scenarios, such as development of self-service office IT management tools, including automated network diagnostic softwares, automatic printer installation tools and smart technical support tools, and (iv) extended devices' life span supported by our remanufacturing technology, which enables us to lower the cost and increase the operational efficiency, while improving user experience with enhanced device performance. With the same growth drivers, we expect to continue to increase our customer base and subscription volume in the future. For the year ended December 31, 2022, the net increase in the number of devices under service was slightly lower than the increase in the same period in 2021, primarily as a result of (1) our number of new subscribing customers decreased from 18,089 during the year ended December 31, 2021 to 14,709 during the year ended December 31, 2022 as our marketing activities slowed down during the same period due to the impacts of COVID-19 and (2) temporary decrease in our existing customers' demands for office IT subscription services as they have adjusted hiring plans and related IT service procurement due to the impacts of COVID-19.

The following table illustrates the movement of the number of our subscribing customers, all of whom were enterprise customers, during the Track Record Period:

	For the year ended December 31,		
	2020	**2021**	**2022**
Number of subscribing customers at the beginning of the period	21,466	27,975	37,966
Number of new subscribing customers	12,577	18,089	14,709
Number of customers whose subscription terminated/expired	6,068	8,098	10,332
Number of subscribing customers at the end of the period	27,975	37,966	42,343

The following table illustrates the movement of number of devices under subscription during the Track Record Period:

	For the year ended December 31,		
	2020	**2021**	**2022**
Number of devices under subscription at the beginning of the period	553,546	755,166	1,077,345
Number of devices with initiated subscription(1)	495,248	700,937	554,686
Number of devices with discontinued subscription(2)	293,628	378,758	539,174
Number of devices under subscription at the end of the period	755,166	1,077,345	1,092,857

Notes:

(1) Devices with initiated subscription include devices that are under subscription initiated by either new or existing customers.

(2) Devices with discontinued subscription refer to all devices returned to us due to either expiry or termination of subscriptions, including such situations where customers terminated subscriptions but subsequently initiated new subscriptions to, for example, swap or upgrade devices, while our subscription base remained unchanged.

The following table sets forth the average service life and remaining service life of our IT devices by categories during the Track Record Period:

	As of December 31,		
	2020	**2021**	**2022**
		(years)	
Laptop			
– Average service life	3.1	2.8	2.9
– Remaining service life(1)	5.4	5.7	5.6
Monitor			
– Average service life	1.5	1.8	2.4
– Remaining service life(1)	7.0	6.7	6.1
Desktop			
– Average service life	1.5	1.8	2.5
– Remaining service life(1)	7.0	6.7	6.0
Others(2)			
– Average service life	1.7	1.6	2.1
– Remaining service life(3)	4.5	4.3	3.8

Note:

(1) For the purpose of this table, the expected service life for laptops, monitors and desktops are calculated as 8.5 years, being the average of seven to ten years. For used device, the start point of its service life is based on the device activation time indicated by its device serial number, or the launch date of such device if the activation time cannot be ascertained.

(2) Others mainly include all-in-one PCs, workstations, servers, tablets, mobile phones, printers and other computer accessories or electronic devices.

(3) The remaining service life of other types of IT devices is equal to the expected service life of each type of device minus the average service life. For the purpose of this table, the expected service life of other types of IT devices is calculated as (i) two years for tablets, mobile phones, printers and other computer accessories or electronic devices, (ii) five years for workstations and servers, and (iii) seven years for all-in-one PCs.

OUR STRENGTHS

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

- The largest office IT integrated solution provider in China
- High customer retention contributing to revenue growth visibility
- Industry-leading remanufacturing capability
- Efficient self-developed operation system
- Experienced management team with deep market insight

See "Business – Our Strengths."

OUR STRATEGIES

In order to further solidify our competitive strength and achieve future growth, we plan to pursue the following strategies:

- Expanding customer base and improving market penetration
- Enriching service offerings and promoting service innovation
- Enhancing our remanufacturing capability
- Expanding our SaaS product offerings

See "Business – Our Strategies."

COMPETITIVE LANDSCAPE

According to Frost & Sullivan, the size of the usage-based office IT service industry in China in terms of revenue in 2021 was RMB7.0 billion. The top five players in the usage-based office IT service industry in China accounted for an aggregate market share of 25.4%. According to the same source, in 2021, our Group, with a market share of 14.3%, ranked first in the usage-based office IT industry in China in terms of revenue, number of devices under service, and remanufacturing capacity, respectively. The usage-based office IT industry in the PRC is increasingly competitive. To maintain our market position, we avail ourselves of the know-how on key elements in the long and complex value chain of office IT service industry.

According to the same source, the size of the office IT integrated solution industry in China in terms of revenue in 2021 was RMB5.1 billion. The top five players in the office IT integrated solution industry in China accounted for an aggregate market share of 33.6%. In 2021, our Group was the largest in the office IT integrated solution industry in China in terms of revenue, with a market share of 19.6%.

To maintain our market position, we avail ourselves of know-how on the key elements in the long and complex value chain of office IT service industry. We continue to advance our competitive edge through high-quality customer oriented services supported by efficient back-end architecture, rich experience in large-scale device operations and expertise in remanufacturing technology in the office IT service industry. Specifically, according to Frost & Sullivan:

- *Rich experience in large-scale device operations*. We offered the highest number of devices under service in 2021. As of December 31, 2022, we had approximately 42,000 subscribing enterprise customers and approximately 1.1 million devices under subscription.

- *Flexibility in terms of subscription*. Customers place orders with subscription term on a monthly basis, usually ranging from one month to three years so that customers can adjust their subscription services on demand without having to purchase their own devices, experience difficulties in recovering the residual value of the devices, or incur excessive IT overheads.

- *High quality customer service*. Our response time in our core markets including Beijing, Shanghai and Shenzhen is about ten times faster than industry average.

- *Expertise in remanufacturing technology*. We owned the only PC remanufacturing factory network in China that had a production capability for over 600,000 devices in a year. Our average remanufacturing time in the Track Record Period was less than ten days, while the process of device repair or replacement under traditional IT service providers warranty services is usually twice as long.

Moreover, we enjoy a number of competitive advantages over traditional device rental service providers, primarily including our broad technical support and our other value-added services, especially managed IT services.

See "Industry Overview – Competitive Landscape" and "Business – Competition."

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks as set out in "Risk Factors" in this document. 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 following:

- Due to our limited operating history in an emerging and rapidly evolving market, our historical results may not be indicative of our future performance.
- The failure to attract new customers, the loss of existing customers, or a reduction in their demand for our pay-as-you-go office IT integrated solutions could have a material adverse impact on our business.
- Our customers are mainly SME customers and their business may be vulnerable to macroeconomic industry-wide fluctuations and depressions, which could impair our trade receivables and liquidity position, and have a material adverse impact on our own results of operations and financial condition.
- Customers' ability to pay could deteriorate due to reasons beyond our control, which could have a material adverse impact on our cash flow, liquidity position, results of operations and financial condition.
- We have incurred, and in the future may continue to incur, net losses and negative cash outflow. We also recorded net current liabilities and negative equity, or net deficit, during the Track Record Period, which could expose us to liquidity risks.
- Our business requires a large amount of capital to finance the expansion of our operations. We have also maintained a relatively high level of indebtedness. Failure to manage our liquidity and cash flows or inability to obtain additional financing in the future could have a material adverse impact on our business, results of operations and financial condition.
- We are subject to interest rate risk. Our Group's financial performance may be affected by the interest rates hike, which may increase our finance costs and operating costs as we have leased-in devices and borrow money from financial institutions.
- The approval and/or other requirements of the CSRC or other PRC governmental authorities may be required in connection with the [**REDACTED**] under PRC rules, regulations or policies.

See "Risk Factors."

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary historical data of financial information set forth below has been derived from, and should be read in conjunction with, our consolidated audited financial statements as at and for the years ended December 31, 2020, 2021, and 2022, including the accompanying notes, set forth in the Accountants' Report in Appendix I to this document, as well as the information set forth in "Financial Information." Our financial information was prepared in accordance with IFRS.

Selected Items of Consolidated Statements of Profit or Loss

The table below sets forth selected items of our consolidated statement of profit or loss for the year indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
	(RMB in thousands, except for percentages)					
Revenue	813,148	100.0	1,183,749	100.0	1,371,889	100.0
Cost of sales	(476,103)	(58.6)	(618,527)	(52.3)	(745,346)	(54.3)
Gross profit	337,045	41.4	565,222	47.7	626,543	45.7
Gain/(loss) on changes in fair value of financial liabilities at fair value through profit or loss ("FVTPL")	18,609	2.3	(416,358)	(35.2)	(702,170)	(51.2)
Finance costs	(95,342)	(11.7)	(146,237)	(12.4)	(169,595)	(12.4)
Loss before tax	(87,716)	(10.8)	(351,023)	(29.6)	(646,265)	(47.1)
Loss and total comprehensive expense for the year	(88,444)	(10.9)	(348,245)	(29.4)	(611,607)	(44.6)

Non-IFRS Measures

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit/(loss) (non-IFRS measure) and adjusted EBITDA (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with, IFRS. We define adjusted net profit/(loss) (non-IFRS measure) as net profit/(loss) for the year adjusted by adding (i) share-based payment expenses, which are non-cash expenses arising from granting share-based awards to employees; (ii) fair value changes of financial liabilities at FVTPL, representing non-cash expenses arising from granting preferred shares and convertible bonds to investors; and (iii) [**REDACTED**] expenses, which are expenses relates to our [**REDACTED**]. See "Financial Information – Consolidated Statements of Profit or Loss – Non-IFRS measure – Adjusted Net Profit/(Loss)." We define EBITDA as net loss for the year by adding back (i) net finance costs, (ii) income tax expense/(credit), (iii) depreciation and (iv) amortization. We add back share-based payment expenses, fair value changes of financial liabilities at FVTPL and [**REDACTED**] expenses to EBITDA to derive adjusted EBITDA (non-IFRS measure). See "Financial Information – Consolidated Statements of Profit or Loss – Non-IFRS measures – EBITDA and Adjusted EBITDA."

	For the year ended December 31,		
	2020	**2021**	**2022**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Loss and total comprehensive expense for the year	(88,444)	(348,245)	(611,607)
Add:			
Share-based payment expenses	62,529	7,739	16,509
Gain/(loss) on fair value changes of financial liabilities at FVTPL	(18,609)	416,358	702,170
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net (loss)/profit for the year (non-IFRS measure)	(44,524)	93,481	135,189

	For the year ended December 31,		
	2020	**2021**	**2022**
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Loss and total comprehensive expense for the year	(88,444)	(348,245)	(611,607)
Add:			
Net finance costs	83,579	144,470	163,034
Income tax expense/(credit)	728	(2,778)	(34,658)
Depreciation	220,975	301,788	396,289
Amortization	104	241	410
EBITDA (non-IFRS measure)	216,942	95,476	(86,532)
Add:			
Share-based payment expenses	62,529	7,739	16,509
Gain/(loss) on fair value changes of financial liabilities at FVTPL	(18,609)	416,358	702,170
[**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted EBITDA (non-IFRS measure)	260,862	537,202	660,264

Despite our continuous growth in revenue and gross profit margin, we recorded net losses during the Track Record Period. For the years ended December 31, 2020, 2021 and 2022, respectively, we recorded net losses of RMB88.4 million, RMB348.2 million and RMB611.6 million, respectively, mainly due to the significant financial liabilities measured at fair value through profit or loss ("FVTPL"). Our financial liabilities at FVTPL during the Track Record Period were preferred shares, warrants and convertible bonds issued to investors. For the years ended December 31, 2021 and 2022, our loss on changes in fair value of financial liabilities at FVTPL amounted to RMB416.4 million and RMB702.2 million, respectively, while for the year ended December 31, 2020, we recorded a slight gain on fair value changes of financial liabilities measured at FVTPL of RMB18.6 million. This, in turn, was mainly due to significant fair value changes of preferred shares and convertible bonds, driven by our strong business growth and improved business outlook.

Revenue

Our total revenue increased by 45.6% from RMB813.1 million for the year ended December 31, 2020 to RMB1,183.7 million for the year ended December 31, 2021, increased by 15.9% to RMB1,371.9 million for the year ended December 31, 2022.

During the Track Record Period, our revenue was primarily generated from pay-as-you-go office IT integrated solutions. "Pay-as-you-go" refers to a flexible subscription method through which we provide hardware and handle software installation, device/engineer deployment, operation and maintenance support, performance optimization, and life cycle management services all under one service pack while customers can subscribe andunsubscribe to the office IT service flexibly based on their evolving needs. See "Business – Our Business – Our Office IT Integrated Solutions – Pay-as-you-go Subscription." We also generate revenue from sales of devices as well as SaaS and other services. See "Business – Our Business – Sales of Devices" and "Business – Our Business – Our SaaS Product." The following table sets forth a breakdown of our revenue by segment for the periods indicated:

	For the year ended December 31,					
	2020		**2021**		**2022**	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
	(RMB in thousands, except for percentages)					
Pay-as-you-go office IT integrated solutions	643,345	79.1	997,895	84.3	1,165,159	84.9
Sales of devices	157,255	19.3	172,661	14.6	193,461	14.1
SaaS and other services	12,548	1.6	13,193	1.1	13,269	1.0
	813,148	100.0	1,183,749	100.0	1,371,889	100.0

Gross Profit/(Loss) and Gross Profit/(Loss) Margin

Gross profit/(loss) represents our revenue less cost of sales. Gross margin represents gross profit/(loss) as a percentage of revenue. For the year ended December 31, 2020, 2021 and 2022, respectively, we had gross profit margin of 41.4%, 47.7% and 45.7%, respectively. The following table sets forth our gross profit and gross profit margin by segment for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Gross profit Amount	Gross profit margin %	Gross profit Amount	Gross profit margin %	Gross profit/ (loss) Amount	Gross profit/ (loss) margin %
	(RMB in thousands, except for percentages)					
Pay-as-you-go office IT integrated solutions	311,701	48.5	540,349	54.1	640,286	55.0
Sales of devices	14,826	9.4	14,687	8.5	(25,245)	(13.1)
SaaS and other services	10,518	83.8	10,186	77.2	11,502	86.7
Total gross profit/Overall gross profit margin	337,045	41.4	565,222	47.7	626,543	45.7

Gross profit from our pay-as-you-go office IT integrated solutions increased by 73.4% from RMB311.7 million for the year ended December 31, 2020 to RMB540.3 million for the year ended December 31, 2021, further increased by 18.5% to RMB640.3 million for the year ended December 31, 2022. Meanwhile, the gross profit margin of our pay-as-you-go office IT integrated solutions increased from 48.5% for the year ended December 31, 2020 to 54.1% for the year ended December 31, 2021, which was primarily attributable to: (i) our better bargaining position under economies of scale in procurement negotiations, enabling us to procure devices at a lower price and lowering the growth rate in depreciation costs; (ii) our enhanced remanufacturing capability enabling us to lower our remanufacturing costs and improve maintenance efficiency; and (iii) our improved efficiency in service delivery and risk control. The gross profit margin of our pay-as-you-go office IT integrated solutions was 55.0% for the year ended December 31, 2022, which remained relatively stable compared to that for the year ended December 31, 2021.

Gross profit from sales of devices remained relatively stable at RMB14.8 million for the year ended December 31, 2020 and RMB14.7 million for the year ended December 31, 2021, and decreased significantly to a loss of RMB25.2 million for the year ended December 31, 2022. Meanwhile, our gross profit margin of sales of devices slightly decreased from 9.4% for the year ended December 31, 2020 to 8.5% for the year ended December 31, 2021, and decreased to a loss margin of 13.1% for the year ended December 31, 2022. This decrease was because (i) from late 2019 to 2021, we started to offer the opportunity for subscribing customers to buy out their devices whilst in use. The sales of such devices typically do not have a high profit margin as we usually offer a discount to these customers, taking into consideration the existing relationships with them; and (ii) the gross profit margin and the average sales of our sales of devices through Epaiji platform decreased in 2021 and further decreased to a loss margin of 13.1% in 2022 mainly because (a) we strategically expanded sales of surplus of devices through Epaiji platform with generally lower prices than our previous sales through Epaiji to improve operational efficiency and the utilization rate of our devices and (b) as the demands in the PC market declined significantly in 2022 with increase in supply in relation to (i) ease on supply chain shortage and (ii) increased supplies of pre-owned devices from companies that disposed self-owned devices due to lay-offs or closures during the same year, we also adjusted the sales price for sales through Epaiji accordingly.

Gross profit from SaaS and other services remained relatively stable at RMB10.5 million for the year ended December 31, 2020 and RMB10.2 million for the year ended December 31, 2021, and increased to RMB11.5 million for the year ended December 31, 2022. Gross profit margin of SaaS and other services slightly decreased from 83.8% for the year ended December 31, 2020 to 77.2% for the year ended December 31, 2021 and increased to 86.7% for the year ended December 31, 2022, primarily due to that the types of maintenance tasks requested by customers varied from period to period while the gross profit from SaaS services remained stable.

Cost of sales

The following table sets forth a breakdown of our cost of sales by nature for the periods indicated:

	For the year ended December 31,					
	2020		2021		2022	
	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentages)					
Depreciation of self-owned and lease-in rental computer devices	209,395	44.0	285,457	46.2	370,007	49.6
Purchase cost of sales of devices	138,439	29.1	153,003	24.7	213,753	28.7
Employee benefit cost	60,742	12.8	84,412	13.6	90,143	12.1
Packing and delivery cost	23,833	5.0	33,750	5.5	27,707	3.7
Others[(1)]	43,694	9.1	61,905	10.0	43,736	5.9
Total	**476,103**	**100.0**	**618,527**	**100.0**	**745,346**	**100.0**

Note:

(1) Others include cost of accessories, technical service cost, other daily operating costs, and cost for SaaS and other services.

Selected Items of Financial Position

The following table sets out selected items of our consolidated statement of financial position as of the dates indicated:

	As of December 31,		
	2020	2021	2022
		RMB'000	
Non-current assets	1,562,684	2,301,842	2,257,989
Current assets	947,235	808,418	779,604
Non-current liabilities	393,536	2,802,372	3,408,306
Current liabilities	3,092,311	1,623,138	1,539,635
Net current liabilities	(2,145,076)	(814,720)	(760,031)
Net liabilities	(975,928)	(1,315,250)	(1,910,348)

As of December 31, 2020, 2021, and 2022, we recorded net current liabilities of RMB2,145.1 million, RMB814.7 million and RMB760.0 million, respectively. Our net current liabilities as of December 31, 2020, 2021, and 2022 were primarily due to the current portion of preferred shares, warrants and convertible bonds of RMB1,857.5 million, nil and nil, respectively, as recorded under financial liabilities at FVTPL in our current liabilities. Our net current liabilities were also due to RMB894.8 million, RMB1,221.8 million and RMB1,072.7 million current borrowings as of December 31, 2020, 2021 and 2022, respectively. Such borrowings were incurred mainly to procure or rent new devices to support our business expansion.

As of December 31, 2020, 2021, and 2022, we recorded net liabilities of RMB975.9 million, RMB1,315.3 million and RMB1,910.3 million, respectively. Our net liabilities as of December 31, 2020, 2021, and 2022, were primarily due to (i) our accumulated loss of RMB958.6 million as of January 1, 2020 and (ii) our accumulated losses, which amounted to RMB1,047.1 million, RMB1,395.7 million and RMB2,007.9 million as of the same dates, respectively, mainly attributable to the financial liabilities measured at FVTPL. In 2021 and 2022, our loss on the fair value change on financial liabilities at FVTPL was RMB416.4 million and RMB702.2 million, respectively, which was mainly related to our preferred shares. Our net liabilities were partially offset by our share-based payments reserve of RMB62.5 million, RMB7.7 million and RMB16.5 million as of the same dates, respectively. See "Consolidated Statements of Changes in Equity" in the Accountants' Report in Appendix I to this document. We expect to return to net asset position upon [**REDACTED**], taking into account the redesignation of the convertible redeemable preferred shares with carrying amount of RMB2,984.4 million as of December 31, 2022 from financial liabilities to equity as a result of the automatic conversion into ordinary Shares.

We finance our device acquisition by loans and leases primarily at fixed rates for either subscription services under the pay-as-you-go model or sales of devices in installments. As of December 31, 2022, the carrying amounts of borrowings that are repayable (i) on demand or within one year, (ii) over one year but not exceeding two years, and (iii) over two years amounted to RMB1,072.7 million, RMB265.1 million and RMB55.5 million, respectively. As of the same date, the present value of our lease liabilities (i) within one year, (ii) over one year but not exceeding two years, and (iii) over two years amounted to RMB185.9 million, RMB71.4 million and RMB32.0 million, respectively. See note 16(b) and 25 to the Accountants' Report in Appendix I to this Document. Meanwhile, as of December 31, 2022, the majority of the remaining subscription terms for our pay-as-you-go office IT integrated solutions and SaaS products ranged over one year, representing RMB1,923.9 million, or 95.5%, and RMB5.7 million, or 85.1%, of the total remaining subscription value, respectively. See "Business – Our Business – Key Operating Data" for details. Further, we typically require monthly payment in fixed amount with payment terms of one to three years for our sales of devices in installments. As such, we have maturity mismatch between our finance lease and borrowing terms, and the pay-as-you-go subscription terms with our customers, and maturity mismatch between our borrowing terms and the payment terms for our sales of devices in installments. See "Risk Factors – Risks Relating to our Business and Industry – We are subject to interest rate risk. Our Group's financial performance may be affected by the interest rates hike, which may increase our finance costs and operating costs as we have leased-in devices and borrow money from financial institutions" for details.

During the Track Record Period, we incurred net current liabilities, net liability positions, net losses, operating cash outflows, and increasing indebtedness. See "Business – Business Sustainability."

Summary of the Consolidated Statements of Cash Flows

The following table sets forth selected cash flow data from our consolidated statements of cash flows for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
		RMB'000	
Net cash (used in)/from operating activities	(268,509)	(207,089)	595,549
Net cash (used in)/from investing activities	(29,791)	86,283	1,479
Net cash from/(used in) financing activities	753,136	(47,077)	(636,055)
Net increase/(decrease) in cash and cash equivalents	454,836	(167,883)	(39,027)
Cash and cash equivalents at the beginning of the year	280,669	725,366	542,568
Effect of foreign exchange rate changes	(10,139)	(14,915)	2,262
Cash and cash equivalents at the end of the year	725,366	542,568	505,803

Note:

(1) Changes in working capital are mainly caused by our procurement of devices to support our continuous investment in our business development.

For the years ended December 31, 2020 and 2021, we recorded net operating cash outflows of RMB268.5 million and RMB207.1 million, respectively, primarily because we proactively spent cash in procurement of devices based on previous results of operations and our development strategies. We have been improving our operating cash flow to keep up with the business growth. For the year ended December 31, 2022, we managed to record a net cash inflow from operations of RMB595.5 million, which fully covered the procurement costs of devices during the same period.

Taking into account the financial resources available to us, including our cash and cash equivalents, available borrowings, as well as estimated net [**REDACTED**] from the [**REDACTED**], our Directors are of the view that we have sufficient working capital required for our operations at present and for at least the next 12 months from the date of this document. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of our cash and cash equivalents, bank and other borrowings and net [**REDACTED**] from the [**REDACTED**].

With same bases as set above, the Sole Sponsor concurs with the Directors' view that the Company has sufficient working capital required for its operations at present and for at least the next 12 months from the date of this document.

Key Financial Ratios

The following table set forth our key financial ratios as of the date or for the period indicated:

	For the year ended December 31,		
	2020	**2021**	**2022**
Total revenue growth(1)	28.6%	45.6%	15.9%
Total gross profit margin(2)	41.4%	47.7%	45.7%
Net profit margin(3)	(10.9%)	(29.4%)	(44.6%)
Adjusted net profit margin (non-IFRS measure)(4)	(5.5%)	7.9%	9.9%

(1) Total revenue growth equals to the current year's revenue minus the previous year's revenue, divided by the previous year's revenue, and multiplied by 100%.

(2) Gross profit margin equals gross profit divided by revenue for the year and multiplied by 100%.

(3) Net profit margin equals (loss)/profit divided by revenue for the year and multiplied by 100%.

(4) Adjusted net profit margin (non-IFRS measure) equals non-IFRS (loss)/profit divided by revenue for the year and multiplied by 100%.

DIVIDENDS

No dividends have been paid or declared by our Company during the Track Record Period. Our Board may declare dividends in the future after taking into account our results of operations, financial condition, cash requirements and availability and other factors as it may deem relevant at such time. Any declaration and payment, as well as the amount of dividends, will be subject to our constitutional documents and Cayman Companies Act. Under the Cayman Islands law, our Company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. As advised by our Cayman Islands counsel, subject to the above, there is no restriction under the Cayman Islands law for our Company to declare and pay a dividend, despite our net liabilities position. In addition, our Directors may from time to time pay such interim dividends on shares outstanding of our Company and authorize payment of the same out of the funds of our Company that are lawfully available. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the discretion of our Board. See "Financial Information – Dividend."

FUTURE PLAN AND USE OF [REDACTED]

Assuming an [**REDACTED**] of HK$[**REDACTED**] per Share (being the mid-point of the [**REDACTED**] Range), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] and other estimated expenses paid and payable by us in connection with the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised and no Shares are issued pursuant to the Pre-[**REDACTED**] Option Plan. In line with our strategies, we intend to use our [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be allocated over the next three years to enhance our sales and marketing capabilities and expand our service network, which will further enlarge our customer base and strengthen our brand reputation;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used over the next three years to optimize and expand service offerings to satisfy customers' evolving needs, as well as upgrade our technology infrastructure to improve service quality;

- Approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used to enhance our remanufacturing capability to improve operational efficiency and save labor costs over the next three years; and

- The remaining approximately [**REDACTED**]%, or HK$[**REDACTED**], will be used for working capital and general corporate purposes.

We estimate the net [**REDACTED**] to the [**REDACTED**] from the sale of [**REDACTED**] pursuant to the [**REDACTED**] to be approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], being the mid-point of the indicative [**REDACTED**] range), after deducting the [**REDACTED**] and estimated related expenses payable by the [**REDACTED**]. We will not receive net [**REDACTED**] from the sale of [**REDACTED**] pursuant to the [**REDACTED**].

See "Future Plans and Use of [**REDACTED**]."

PRE-[REDACTED] INVESTMENT

From 2015 to 2021, we have completed several rounds of Pre-[**REDACTED**] Investments, for which our Company issued Series Angel Preferred Shares, Series A-1 Preferred Shares, Series A-2 Preferred Shares, Series A-3 Preferred Shares, Series B Preferred Shares, Series C Preferred Shares, Series D Preferred Shares and Series E Preferred Shares to the relevant Pre-[**REDACTED**] Investors, including Hongtai, Koala Fund, Matrix, X Adventure, Shunwei, Source Code, GIC, Seas Investment, Zhongguancun Zhongnuo and Innoven. See "History, Reorganization and Corporate Structure – Pre-[**REDACTED**] Investments."

SINGLE LARGEST SHAREHOLDERS GROUP

In light of the Existing WVR Structure and the Mr. Zhang and Huaqing Proxy Arrangement, as of the Latest Practicable Date, Dr. Ji is entitled to exercise 75.44% voting rights attached to 13.90% Shares of the Company, among which, Dr. Ji is entitled to exercise (i) 45.06% voting rights attached to 13.90% Shares of the Company indirectly through Dr. Ji Entity; (ii) 30.04% voting rights attached to 9.27% Shares of the Company held by Mr. Zhang Entity pursuant to the Mr. Zhang, Huaqing Proxy Arrangement; and (iii) 0.34% voting rights attached to 1.06% Shares of the Company held by Huaqing Hongyi and Huaqing Yuyi pursuant to the Mr. Zhang and Huaqing Proxy Arrangement. In addition, Huaqing Kuaiyi is the general partner of each of Huaqing Hongyi and Huaqing Yuyi. Therefore, Dr. Ji, Dr. Ji Entity, Mr. Zhang, Mr. Zhang Entity, Huaqing Hongyi, Huaqing Yuyi and Huaqing Kuaiyi constitute our Single Largest Shareholders Group and are treated as a group of our controlling shareholders before the [**REDACTED**].

On [●], the Shareholders of our Company resolved to terminate the Existing WVR Structure effective upon the [**REDACTED**]. Immediately after the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised and no Shares are issued pursuant to the Pre-[**REDACTED**] Option Plan), Dr. Ji will be entitled to exercise [**REDACTED**]% voting rights of the Shares of the Company, including (i) [**REDACTED**]% voting rights of the Shares of the Company indirectly through Dr. Ji Entity; (ii) [**REDACTED**]% voting rights of the Shares of the Company held by Mr. Zhang Entity pursuant to the Mr. Zhang and Huaqing Proxy Arrangement; and (iii) [**REDACTED**]% voting rights of the Shares of the Company held by Huaqing Hongyi and Huaqing Yuyi pursuant to the Mr. Zhang and Huaqing Proxy Arrangement. As such, Dr. Ji, Dr. Ji Entity, Mr. Zhang, Mr. Zhang Entity, Huaqing Hongyi, Huaqing Yuyi and Huaqing Kuaiyi will no longer constitute a group of our controlling shareholders, but will remain as our Single Largest Shareholders Group upon completion of the [**REDACTED**]. See "Relationship with our Single Largest Shareholders Group."

PRE-[REDACTED] OPTION PLAN

The Company's Pre-[**REDACTED**] Option Plan was adopted, confirmed and ratified by our Shareholders on February 25, 2022. The purpose of the Pre-[**REDACTED**] Option Plan is to achieve strategic goals and fuel the development of our Company by providing our Directors, senior management and employees with the opportunity to acquire proprietary interests in our Company. [As of the Latest Practicable Date, our Company had granted options under the Pre-[**REDACTED**] Option Plan to a total of [478] eligible grantees, including [four] Directors, senior management and other connected persons of the Company, [four] grantees that have been granted options to subscribe for 100,000 Shares (being 1,000,000 Shares immediately following the completion of the Share Subdivision) or above and [470] other current and past employees of our Group, to subscribe for an aggregate of [3,039,765] Shares (being [30,397,650] Shares immediately following the Share Subdivision) under the Pre-[**REDACTED**] Plan, representing [**REDACTED**]% of the total number of Shares in issue immediately after completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no Shares are issued pursuant to the Pre-[**REDACTED**] Option Plan).] See "Appendix IV – Statutory and General Information – D. Pre-[**REDACTED**] Option Plan."

RECENT DEVELOPMENT ON RULES RELATING TO OVERSEAS OFFERING AND LISTING

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《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. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the "**Overseas Offering and Listing**"), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as indirect Overseas Offering and Listing by a PRC domestic enterprise: (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. The Overseas Listing Trial Measures also requires subsequent reports to be submitted to the CSRC on material events (the "**Material Events**"), such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. For more details, please refer to "Regulatory Overview – Laws and Regulations Relating to Overseas Offering and Listing".

According to the Notice on Arrangements for Record Filing Administration of Overseas Offering and Listing of Domestic Enterprises and the relevant replies to questions by the CSRC officials which are both promulgated with the Overseas Listing Trial Measures simultaneously, (i) where, before March 31, 2023 (i.e. the effective date of the Overseas Listing Trial Measures), the PRC domestic enterprise's application for its indirect Overseas Offering and Listing has been approved by the overseas regulatory authorities or overseas stock exchanges (for example, a hearing has been passed by the Stock Exchange) but has not completed indirect Overseas Offering and Listing, a six-month transition period from March 31, 2023 (the "**Transition Period**") shall be allowed: if the PRC domestic enterprise does not need to re-perform the regulatory procedures for offering and listing with the overseas regulatory authorities or overseas stock exchanges and the PRC domestic enterprise completes the Overseas Offering and Listing within the Transition Period, it will not be required to file with CSRC for this Overseas Offering and Listing; if the PRC domestic enterprise needs to re-perform the regulatory procedures for offering and listing with the overseas regulatory authorities or overseas stock exchanges (for example, a new hearing required by the Stock Exchange) or fail to complete Overseas Offering and Listing within the Transition Period, they shall file with the CSRC for this Overseas Offering and Listing; (ii) the PRC domestic enterprise which has submitted a valid application for Overseas Offering and Listing but has not yet obtained the consent of the overseas regulatory authorities or the overseas stock exchange before March 31, 2023 may make a reasonable time for submitting the filing application to the CSRC and shall complete the filing prior to its Overseas Offering and Listing.

RECENT DEVELOPMENT ON RULES RELATING TO CYBERSECURITY AND DATA PRIVACY

On December 28, 2021, the CAC and several other PRC governmental authorities jointly issued the Cybersecurity Review Measures (《網絡安全審查辦法》), which took effect on February 15, 2022. On November 14, 2021, the CAC published the Regulations on Network Data Security Management (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》), or the Draft Data Security Regulations, for public comments. See "Regulatory Overview – Laws and Regulations Relating to Cybersecurity" for details.

Our Directors and our PRC Legal Advisor are of the view that the Draft Data Security Regulations, if implemented in their current forms, together with the Cybersecurity Review Measures, will not have any material adverse effect on our business operations or the proposed [**REDACTED**] on the following basis as of the Latest Practicable Date:

(i) we have implemented comprehensive measures to protect user privacy and data security and to comply with applicable cybersecurity and data privacy laws and regulations, see "Business – Risk Management and Internal Control – Data Privacy and Information Security Risk Management." To our best knowledge, we have not had any incident of data or personal information leakage, or violation of data protection and privacy laws and regulations;

(ii) we have not been subject to any investigation, inquiry, or sanction in relation to cybersecurity or data privacy or any cybersecurity review from the CAC, the CSRC, or any other relevant government authority;

(iii) during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or other penalties due to non-compliance with cybersecurity or data privacy laws or regulations;

(iv) as advised by our PRC Legal Advisor, since we mainly provide office IT services for the enterprises, the data we process are primarily business data and the number of individuals whose personal information we process has not reached one million, and the term of "listing on a foreign stock exchange" (國外上市) under the Cybersecurity Review Measures exempts listing in Hong Kong from the voluntary filings for cybersecurity review;

(v) we have not been involved in any activities that might give rise to national security risks based on the factors set out in Article 10 of the Cybersecurity Review Measures;

(vi) we have taken reasonable and adequate technical and organizational measures to protect data security, with all the data stored within the territory of the PRC; and

(vii) the data we process has not been recognized by any relevant authorities as core data or key data, and we have not been notified by any authorities of being classified as a critical information infrastructure operator.

Given the lack of detailed interpretation, there remain uncertainties as to the categories and scope of data processing activities which would influence or possibly influence national security under the Draft Data Security Regulations. See "Risk Factors – Risks relating to Our Business and Industry – Compliance with the rapidly evolving landscape of data privacy and security laws may be challenging, and any failure or perceived failure to comply with such laws, or other concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure, and other processing of personal data, could have a material adverse impact on our reputation and deter current and potential users from using our services." We will closely monitor the legislative progress of the further regulatory developments regarding cybersecurity and data privacy laws, including the development on cybersecurity review and seek guidance from relevant regulatory authorities in a timely manner to ensure the appropriate measures taken by us.

EFFECTS OF THE COVID-19 OUTBREAK ON OUR BUSINESS

COVID-19 has caused temporary disruptions to our business operations, especially in office IT integrated solutions, and affected our financial performances. We have experienced a temporary decrease in service demand, primarily due to our customers' closures and reduced business activities during the COVID-19 outbreaks. Many customers, especially those from industries that require on-site or face-to-face operations like the retail industry and education industry, terminated their subscriptions due to a sharp decline in their business operations.

In addition, as our business operations require a significant amount of capital, we need adequate and timely sources of funding to maintain and further develop our business. Our major funding sources are mainly from our business operation and borrowings from financial institutions. During the COVID-19 pandemic, some financial institutions had longer internal approval processes for the release of funds, thereby affecting our cash inflow and liquidity positions.

Despite the temporary disruption caused by COVID-19, we were able to sustain our strong growth momentum and deliver robust revenue growth. During the COVID-19 outbreak, an increasing number of companies with demand of office IT integrated solutions opted for distributed workforce due to on-site work restrictions. With our nationwide service capability, we were able to provide stable and timely technical support to ensure the stability of our customers' daily operations during the pandemic outbreak. We also provide services through remote support within an optimal response time. Our on-site technicians can be dispatched to provide a convenient door-to-door service to our customers at their homes, offices or even hotels on demand. In this regard, we managed to satisfy customers' demands for office IT integrated solutions including services provided outside office settings, such as remote help desk services, across the country effectively and efficiently, facilitating the growth of our customer base during the outbreak. As working from home has become more prevalent and preferable among companies with low demand for physical attendance and on-site collaboration, the demands for broad and flexible office IT integrated solutions are expected to grow in the long run, which helps enlarge our operating scale and facilitate our future expansion. In addition, many companies became more risk-averse and leaned towards more flexible subscription options in lieu of direct buyout modes, which in turn boosted the revenue growth of our pay-as-you-go office IT integrated solutions. Our revenue from pay-as-you-go office IT integrated solutions increased by 55.1%, from RMB643.3 million in 2020 to RMB997.9 million in 2021, and further increased by 16.8% to RMB1,165.2 million in 2022. As of December 31, 2020, 2021 and 2022, we had cash and cash equivalents of RMB725.3 million, RMB542.6 million and RMB505.8 million, respectively. We believe that the outbreak of COVID-19 did not have a material impact on our cash inflow and liquidity position. During the Track Record Period, none of our debt application was rejected by financial institutions due to the COVID-19 outbreak.

Since 2022, there have been regional outbreaks of the highly transmissible Omicron in China. In response, local governments in the affected areas, such as Shanghai, Shenzhen and Jilin province, imposed various restrictions on business and social activities, including restrictions on travel, logistics and other emergency quarantine measures, as well as partial lockdowns in certain cities. Our business operations in Shanghai have been adversely impacted as a result of the recent COVID-19 recurrence in March. Under the city-wide restrictions over the flow of people and logistics, our number of customers in Shanghai slightly decreased by 2% from March 2022 to May 2022, and rebounded to the March level in June 2022. Our business operations in other provinces and cities, such as Shenzhen and Beijing, were not adversely impacted in material aspects. The total number of our customers has increased from 38,774 as of December 31, 2021 to 43,313 as of December 31, 2022. The PRC government gradually eased restrictive measures on business and social activities in December 2022, and re-opened the borders in January, 2023. There had been a temporary rapid progression of COVID-19 during this time. We expect that we will experience recovery of economic environment and rebound of market demands considering the increase of offline activities. Our Directors are of the view that the outbreak of COVID-19 did not have material adverse impact on the our business operations and financial performance during the Track Record Period and up to the Latest Practicable Date.

See "Financial Information – Effects of the COVID-19 Outbreak on Our Business."

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Accredited to our broad service capabilities covering various stages throughout customer and device life cycles backed by our self-developed operation system and strong remanufacturing technology, we continued to promote service innovation and seize market opportunities. As of December 31, 2022, we had approximately 42,000 subscribing customers and approximately 1.1 million devices under subscription. For the year ended December 31, 2022, we recorded an NDRR of 101.6%. We experienced a decrease in NDRR and NDRR for pay-as-you-go office IT integrated solutions in 2022 primarily because although our customers largely maintained business relationship with us, growth in demands from our customers was moderated during the same year, primarily in relation to such customers' lowered rate of business growth or even downsized workforce. With the continuous expansion of our customer base, our operating scale has further expanded, which further maximized our cost advantages and enhanced our operational efficiency. During the Track Record Period and up to the Latest Practicable Date, there was no significant change to our general business model. In addition, based on our unaudited management accounts, subsequent to the Track Record Period, our business has continued to grow. Such growth is also supported by our continuous efforts to expand the customer base of our office IT integrated solutions and improve market penetration.

The following table sets forth certain of our key operating metrics as of or during the date/periods specified:

	As of January 31, 2022	**As of January 31, 2023**
Number of active customers	**38,418**	**42,620**
– Number of subscribing customers	37,563	41,649
– Number of non-subscribing customers who purchased device(s) in installments	855	971
Number of SaaS customers	**2,049**	**2,068**
Number of devices under service	**1,105,768**	**1,081,285**
– Number of devices under subscription	1,062,624	1,059,840
– Number of devices under installment purchase	43,144	21,445

	For the one month ended January 31, 2022	For the one month ended January 31, 2023
Subscription fee per subscribing customer *(RMB)*	2,551	2,177
Number of devices sold	**11,053**	**5,812**
Number of remanufactured devices	40,711	33,099

	For the 12 months ended January 31, 2022	For the 12 months ended January 31, 2023
NDRR	128.1%	98.1%
NDRR for pay-as-you-go office IT services	130.3%	98.4%

In 2023, we expect to record an increase in net losses due to (i) fair value changes of financial liabilities at FVTPL, representing non-cash expenses arising from granting preferred shares, warrants and convertible bonds to investors, and (ii) [**REDACTED**] expenses.

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position since December 31, 2022 which would materially affect the information shown in our audited consolidated financial information included in the Accountants' Report in Appendix I to this document.

APPLICATION FOR [REDACTED] ON THE STOCK EXCHANGE

We have applied to the Hong Kong Stock Exchange for the granting of the [**REDACTED**] of, and permission to deal in, our Shares to be issued pursuant to the [**REDACTED**] on the basis that, among other things, we satisfy the market capitalization/revenue test under Rule 8.05(3) of the Listing Rules with reference to: (i) our revenue of approximately RMB1.37 billion (equivalent to approximately HK$1.55 billion) for the year ended December 31, 2022 exceeds HK$500 million, and (ii) our expected market capitalization at the time of [**REDACTED**], which, based on the low-end of the indicative [**REDACTED**] range, exceeds HK$4 billion.

[**REDACTED**] STATISTICS

All statistics in this table are based on the assumption that (1) the [**REDACTED**] has been completed and [**REDACTED**] Shares are issued pursuant to the [**REDACTED**]; (2) options granted under the [**REDACTED**] are not exercised; and (3) [**REDACTED**] Shares, including [**REDACTED**] Shares expected to be in issue immediately upon the completion of the [**REDACTED**] and the [421,811,170] Preferred Shares to be automatically converted into ordinary shares are issued and outstanding following the completion of the [**REDACTED**].

	Based on an [REDACTED] of HK$[REDACTED] per Share	**Based on an [REDACTED] of HK$[REDACTED] per Share**
Market capitalization of our Shares(1)	HK$[**REDACTED**]	HK$[**REDACTED**]
Unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities per Share(2)	HK$[**REDACTED**]	HK$[**REDACTED**]

(1) The calculation of market capitalization is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised.

(2) The unaudited [**REDACTED**] adjusted consolidated tangible assets less liabilities per Share as of December 31, 2022 is calculated after making the adjustments referred to in Appendix II and on the basis that [**REDACTED**] Shares are expected to be in issue immediately upon completion of the [**REDACTED**].

As of December 31, 2022, the carrying amount of the [421,811,170] Preferred Shares was RMB2,984,358,000 and recognized as financial liabilities. Such Preferred Shares shall automatically be converted into ordinary shares without the payment of any additional consideration upon the completion of the [**REDACTED**].

Had the [421,811,170] Preferred Shares of our Company to be converted been assumed to convert as of December 31, 2022, the unaudited [**REDACTED**] adjusted consolidated total tangible assets less liabilities of our Group attributable to owners of our Company as of December 31, 2022 per Share would have been calculated based on [**REDACTED**] Shares. The unaudited [**REDACTED**] adjusted consolidated total tangible assets less liabilities of our Group attributable to owners of our Company would have increased from approximately RMB[**REDACTED**] to approximately RMB[**REDACTED**] based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**], or from approximately RMB[**REDACTED**] to approximately RMB[**REDACTED**] based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**]. The unaudited [**REDACTED**] adjusted consolidated total tangible assets less liabilities of our Group attributable to owners of our Company per Share would have increased to RMB[**REDACTED**] (HK$[**REDACTED**]) and RMB[**REDACTED**] (HK$[**REDACTED**]), based on the [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**], respectively.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**], and other fees incurred in connection with the [**REDACTED**]. Assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the [**REDACTED**] range stated in this document), [**REDACTED**] expenses and [**REDACTED**] costs to be borne by us are estimated to be approximately HK$[**REDACTED**] (including (i) [**REDACTED**] of approximately HK$[**REDACTED**], and (ii) non-[**REDACTED**] related expenses of approximately HK$[**REDACTED**], which consist of fees and expenses of legal advisors and Reporting Accountants of approximately HK$[**REDACTED**] and other fees and expenses of approximately HK$[**REDACTED**]), assuming the [**REDACTED**] is not exercised and no shares are issued pursuant to the Pre-[**REDACTED**] Option Plan. For the years ended December 31, 2021 and December 31, 2022, approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) and RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) was charged as [**REDACTED**] expenses, respectively and approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) was charged as [**REDACTED**] costs to our audited consolidated financial statements. After December 31, 2022, approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) is expected to be charged to our consolidated financial statements of profit or loss, approximately RMB[**REDACTED**] (equivalent to approximately HK$[**REDACTED**]) is expected to be accounted for as a deduction from equity upon [**REDACTED**]. The [**REDACTED**] expenses are expected to account for [**REDACTED**]% of gross [**REDACTED**] generated from the [**REDACTED**]. The [**REDACTED**] expenses and [**REDACTED**] costs above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate. See "Financial Information – [**REDACTED**] Expenses."