
RISK FACTORS

An investment in our Shares involves various risks. You should carefully consider all of the information set forth in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition and results of operations. In any such case, the [REDACTED] of our Shares could decline, and you may lose all or part of your [REDACTED].

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

The digital health and medical service market and the digital health corporate service market are immature and volatile.

The digital health and medical service market and the digital health corporate service market are relatively new and unproven, and it is uncertain whether they will achieve and sustain high levels of demand, user acceptance and market adoption. Our success will depend to a substantial extent on the willingness of users to use, and to increase the frequency and extent of their utilization of, our services, as well as on our ability to demonstrate the value of our services to users, physicians, medical institutions, pharmaceutical companies, insurance companies, other financial institutions, local health authorities, and other corporations. If these key industry stakeholders do not perceive the benefits of our services, or if our services do not drive user engagement, then our market may not develop at all, or it may develop more slowly than we expect. If any of these events occurs, it could have a material adverse effect on our business, financial condition or results of operations.

If we are unable to continue to attract and retain users and customers, provide superior user and customer experience and maintain users’ and customers’ trust in our platform, our business, financial condition and results of operations may be materially and adversely affected.

We generate our revenue primarily from our digital health and medical services, and corporate and digital marketing solutions. Therefore, our business growth is highly dependent on our user and customer base. Growth in our user and customer base is a key driver of our revenue growth. We have been increasing our brand awareness and reputation for our platform as we believe that our ability to maintain users’ and customers’ trust is critical to our success. Our ability to maintain user and customer stickiness and engagement on our platform is primarily affected by factors including our ability to maintain superior user and customer experience and the quality of services and products provided through our platform, the breadth of offerings of our services and products and their efficacy in addressing our users’ and customers’ needs and meeting their expectations, the reliability,

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security and functionality of our platform, our ability to adopt new technologies or adapt our technology infrastructure to changing user requirements or emerging industry standards, the strength of our consumer protection measures, and our ability to increase brand awareness among existing and potential users and customers through various marketing and promotional activities.

Any loss of trust in our platform could harm the value of our brand and reputation, resulting in a reduction in user stickiness or even ceasing to engage with our platform. In addition, failure to continuously expand our user and customer base will necessarily inhibit growth in our overall business. All of these consequences could materially and adversely affect our business, financial condition and results of operations.

We may fail to attract, maintain, and manage various stakeholders in the digital health and wellness industry.

Our results of operations depend on our ability to manage and create value for stakeholders in the value chain and the digital health and wellness industry, who in turn generate more monetization opportunities for us. We provide these stakeholders, including physicians, medical institutions, pharmaceutical companies, insurance companies, local health authorities, and other corporations, with integrated services and solutions to help them create value. By integrating these solutions into and channeling these stakeholders onto our platform, we manage to foster a more diverse service offering where different industry stakeholders could utilize the resources on our platform for their business purposes, which in turn may create more monetization opportunities for us.

However, we cannot assure you that we are able to continuously manage and create value for such stakeholders, or at all. For example, as physicians have responsibilities at their hospitals, they may not be willing to set aside additional hours from their busy schedules to participate in our online healthcare services. Additionally, they may not share our vision about digital health and medical services and may stick to their traditional practices. If we fail to manage or create value for those stakeholders, we may not be able to enhance their engagement and connection with our platform, or deepen our penetration in the healthcare value chain, which in turn may deprive monetization venues for us to drive our revenue growth.

We face intense competition in our business.

While the digital health and wellness market in China is at an early stage of development, it is, and is expected to be, increasingly competitive. We are currently in fierce competition with other service providers in China’s digital health and wellness industry. Our competitors may have greater brand recognition, better supplier relationships, larger customer bases or greater financial, technological or marketing resources than we do. As a result, our competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements than us and may have the ability to initiate or withstand significant regulatory changes and industry evolution. Competition from other market players may also result in continued pricing pressures, which is likely to lead to a decline in the price of our services and solutions, and may, in turn, adversely affect our profitability and market share.

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Meanwhile, new competitors or alliances that have greater market share, larger customer bases, more widely adopted proprietary technologies, more excellent marketing expertise, more abundant financial resources and stronger sales forces than us may emerge, which could put us at a competitive disadvantage. In light of these factors, even if our solution is more effective than that of our competitors, current or potential customers may accept competitive solutions in lieu of ours. If we are unable to successfully compete in the digital health and wellness market, our business, financial condition and results of operations may be materially and adversely affected.

Growth of our business will depend on our brands.

Our reputation and brand image are important to our platform in many aspects of our business operations. We cannot assure you that we will be able to maintain or enhance a positive reputation and brand image for all of our businesses in the future. Any negative review, comment or allegation about us, or services and products offered on our platform by the media, on social networks or other public online forums may harm our brand, reputation and public image. We may also face challenges from others seeking to profit from, or defame, our brand. Any of the foregoing may result in loss of potential and existing users or business partners with us and, in turn, have a material adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, there can be no assurance that our brand promotion efforts would be effective, although such efforts may be very expensive. If our brand promotion efforts do not generate the expected outcome, our business, financial condition, and results of operations could be materially and adversely affected.

We may be subject to liability for content available on our platform that is alleged to be factually incorrect, obscene, defamatory, libelous or otherwise unlawful.

Under the PRC laws, we are required to monitor our websites and mobile interfaces for items or content deemed to be factually incorrect, obscene, superstitious or defamatory, as well as content, products or services that are illegal to sell online, and promptly take appropriate actions with respect to such content, products or services. We may also be subject to potential liabilities for any unlawful actions of our customers or users of our websites or mobile interfaces or for content we distribute that is deemed inappropriate. It may be difficult to determine the type of content that may result in liability to us, and if we are found to be liable, we may be subject to fines, have our relevant business operation licenses revoked, or be prevented from operating our websites or mobile interfaces in the PRC.

In particular, our corporate and digital marketing solutions business is subject to advertising and other relevant laws and regulations in the PRC. Even though we implement measures to review advertising materials in light of the relevant laws and regulations as well as our internal guidelines before they are published on our platform, such measures may not be effective and may still subject us to potential liabilities. Our business, financial condition and results of operations may suffer as a result.

In addition, claims may be brought against us for defamation, libel, negligence, copyright, patent or trademark infringement, tort (including personal injury), other

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unlawful activity or other theories and claims based on the nature and content of information posted on our mobile portals, including news feeds, product reviews and message boards, by customers and suppliers, among others. Regardless of the outcome of such a dispute or lawsuit, we may suffer from negative publicity and reputational damage as a result, which may adversely affect our business.

Sale of healthcare service packages could be subject to a variety of risks, which may materially affect our business, financial condition and results of operations.

We generate our revenue from provision of healthcare service packages to our customers, which include healthcare services and selected health products we procure from other third-party suppliers. Maintaining and increasing sales value of healthcare service packages is subject to a variety of risks, including:

- inability to successfully execute effective marketing and promotional programs necessary to maintain and increase awareness of our brand and services, to the extent permitted by applicable PRC laws and regulations;
- inability to respond to changes in demand and preferences of our users in a timely manner;
- inability to source an adequate supply of health products that meet the demand of our users;
- inability to select safe and effective health products in positively impacting the management of certain common health and wellness issues;
- failure to implement effective pricing and other strategies in response to market competition;
- our inability to obtain and maintain regulatory or governmental permits, approvals and clearances, or to pass the PRC government inspections or audits; and
- the risk of, and resulting liability from, any contamination, injury or other harm caused by any use, misuse or misdiagnosis involving health products or healthcare services provided by us.

The occurrence of any such risks may cause a decrease in our sales value of healthcare service packages or demand for our services, damage our overall business and reputation, and may have a material and adverse effect on our financial condition and results of operations.

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Our substantial development in the current product and service offerings may expose us to more risks and we cannot guarantee that our new business initiatives will be successfully implemented or generate sustainable revenue or profit.

We continue to execute a number of new business initiatives, strategies and operating plans for the purpose of diversifying our business and unleashing the monetization potential of our leading position in China’s digital health and wellness industry. For example, we started to offer RWS support services in 2022 to provide pharmaceutical companies with real-world clinical data. Such business initiatives are new and evolving, and may still be at the inception or trial stage and may prove unsuccessful. In addition, we may not have sufficient experience in executing these new business initiatives effectively. Our ability to predict our user and customer preferences and needs and to customize our services to users may be limited, which could impede our ability to deliver the expected user and customer experience at the early stage of these business initiatives. Furthermore, we may incur increasing research and development expenses, selling expenses, staff costs and compliance costs as more efforts on product and service development, brand and service promotion, general administration and legal compliance are required. In addition, there is no guarantee of the effectiveness of our efforts devoted to businesses newly launched or to be launched. As a result, we cannot assure you that any of these business initiatives will gain market recognition, increase the penetration of our addressable market, generate revenue or become profitable. If our efforts fail to enhance our monetization abilities, we may not be able to maintain or increase our revenue or recover any associated costs, and our business and results of operations may be materially and adversely impacted.

We may not be able to manage the growth of our business and operations or implement our business strategies on schedule or within our budget, or at all.

Our business has become increasingly complex in terms of both the type and scale of business we operate. Any expansion may increase the complexity of our operations and place a significant strain on our managerial, operational, financial, and human resources. Our current and planned personnel, systems, procedures, and controls may not be adequate to support our future operations. We cannot assure you that we will be able to manage our growth effectively or to implement all these systems, procedures, and control measures successfully. If we are not able to manage our growth effectively, our business and prospects may be materially and adversely affected.

We are also continually executing a number of growth initiatives, strategies and operating plans designed to enhance our business. For example, we aim to continuously grow and expand the breadth and depth of our services and solutions. Implementing these initiatives, strategies and plans requires a significant amount of financial resources and management attention, and there is no assurance that they could achieve the desired outcome. In the event that any of our growth initiatives, strategies and operating plans is proven unsuccessful, our business and prospects may be materially and adversely affected.

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Our high customer concentration exposes us to risks faced by our major customers and may subject us to significant fluctuations or declines in revenue.

Our customers primarily include pharmaceutical companies, insurance companies, advertising companies, and information technology companies. A limited number of customers have contributed to a significant portion of our revenue in the past. In 2020, 2021 and 2022, revenue from our top five customers accounted for 46.0%, 52.2% and 41.5% of our total revenue, respectively. Although we continually seek to diversify our customer base, we cannot assure you that the proportion of the revenue contribution from these customers to our total revenue will decrease in the near future.

There is no assurance that we would be able to maintain good business relationships with our major customers in the future. Our largest customers are not obliged to continue their contracts with us at a level similar to those in the past or at all. If any of our major customers reduces or even ceases business collaborations with us in the future due to reasons such as loss of market share, reduced competitiveness, trade restrictions, changes in business strategies or production plans, deterioration in their business relationship with us, operational difficulties and deterioration in financial condition, or if we are unable to renew our contracts with our customers or identify new customers promptly or at all, our revenue may significantly decrease, which may materially and adversely affect our business, results of operations, financial condition and prospects.

We rely on our suppliers in providing information technology and software development services, and pharmaceutical and health products.

We source information technology and software development services, pharmaceutical products, and health products from our suppliers, primarily information technology and software development companies, pharmaceutical and health products companies or their sales agents. Our business, results of operations, financial condition and prospects could be materially and adversely impacted if (i) we are unable to continue sourcing sufficient volumes of information technology and software development services, quality pharmaceutical products, and/or health products from our current suppliers, or (ii) our suppliers fail to supply sufficient quantities of information technology and software development services, pharmaceutical products, and/or health products on time or supply products that do not meet the relevant quality standards. In 2020, 2021 and 2022, our top five suppliers accounted for 28.0%, 21.9% and 36.7% of our total purchases, respectively. Purchases from our largest supplier accounted for 17.1%, 9.9% and 19.2% of our total purchases during each of these years. There can be no assurance that any of these suppliers will continue to work with us on acceptable terms or at all, or that the costs associated with attracting alternative suppliers will be reasonable. Any failure by our suppliers to perform their obligations under the relevant agreements and to comply with the applicable laws and regulations, may have an adverse and material impact on our business, financial condition and results of operations. If we are unable to identify alternative suppliers and secure approval for their use in a timely manner, our business could be harmed.

Additionally, our suppliers are primarily independent third parties that are subject to their own operational and financial risks that are outside our control. If the supply of

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information technology and software development services, and pharmaceutical and health products is interrupted for whatever reason, including but not limited to supply shortages, supplier quality issues, supplier production disruption, or closing or bankruptcies of our suppliers, our business, financial condition, results of operations and prospects may be materially and adversely affected. Changes in business conditions, force majeure, governmental changes and other factors beyond our control or that we do not presently anticipate could also affect our suppliers’ ability to deliver information technology and software development services, and pharmaceutical and health products to us on a timely basis. Any of the foregoing could materially and adversely affect our business, results of operations, financial condition and prospects.

Failure to attract more registered physicians to provide adequate and proper medical services on our platform may have a material and adverse effect on our reputation, business and results of operations.

Physicians registered on our platform may provide sub-standard services, mishandle sensitive information, engage in other misconduct or commit medical malpractice, which could subject us to medical liability claims. Although we have obtained or caused relevant counterparties to obtain insurance, professional malpractice insurance coverage may not be adequate in the future, or at all. Our business, financial condition, results of operations and reputation may be materially and adversely affected if any such claims are made against us or registered physicians in connection with these actions that are not fully covered by the insurance. With respect to registered physicians who provide services remotely on our platform, we have limited control over them and the quality of their online consultation and diagnosis services. There can be no assurance that our risk management procedures will be sufficient to monitor their performance and control the quality of their work. In the event that our registered physicians fail to comply with the contractual obligations and applicable laws in relation to the provision of medical consultation services, our user experience could deteriorate, and we may suffer as a result of any actual or alleged misconduct by them, which could materially and adversely affect our business, financial condition, results of operations and reputation.

Any lack of requisite approvals, licenses or permits applicable to our business may have a material and adverse impact on our business, financial condition and results of operations.

The digital health and wellness industry in China is highly regulated, which requires multiple licenses, permits, filings and approvals to conduct and develop business. We historically settled transactions on certain WeChat public accounts of ours, by collecting payment from customers on behalf of third-party pharmacies without permits. We have ceased such payment settlement arrangement since February 2023. In addition, during the Track Record Period, we also provided Internet diagnosis and treatment service, Internet information service, Internet drug information service and insurance advertising service without permits, revenue from which accounted for an insignificant percentage of our total revenue. See “Business—Legal Proceedings and Regulatory Compliance—Historical Non-compliance Incidents—Compliance in Relation to Internet Diagnosis and Treatment License.” Although no administrative action or penalty had been imposed by the relevant regulatory authorities in this regard as of the Latest Practicable Date, and we had ceased

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relevant business or obtained necessary permits, there is no assurance that we will not be subject to administrative action or penalty in the future. For details of our latest legal status of compliance with the PRC laws and regulations in this regard, see “Business—Permits, Licenses and Approvals.”

In addition to obtaining necessary approvals, licenses and permits for conducting our business, we must comply with relevant laws and regulations. Our businesses, such as medical support services and value-based medical services, are subject to various and complex laws and regulations, extensive government regulations and supervision. We may not be fully informed of all the new requirements under relevant laws and regulations in a timely manner, and even if we become aware of new requirements, due to uncertainties in their interpretations and implementation, it will be difficult for us to determine what actions or omissions would be deemed as violations of applicable laws and regulations. We may also not be able to respond to evolving laws and regulations and take appropriate action in time to adjust our business model. As a result, we may be in violation or non-compliance with such laws and regulations.

Due to the uncertainties in the regulatory environment of the industries in which we operate, there can be no assurance that we have obtained, applied for, or completed all the approvals, permits, licenses, filings and registrations required for conducting our business and all activities in the PRC, or that we would be able to maintain, renew or pass the annual inspections (as applicable) of our existing approvals, permits and licenses or obtain any new approvals, permits and licenses or complete filings and registrations in a timely manner if required by any future laws or regulations. If we fail to obtain and maintain approvals, licenses or permits or complete filings and registrations required for our business, or to comply with relevant laws and regulations, we could be subject to liabilities, fines, penalties and operational disruptions. We may also be liable for fines or a penalty of confiscating illegal gains, which may materially and adversely affect our business, financial condition and results of operations.

Differences in actual benefits and claims from the assumptions used in the pricing of our subscription-based medical support services may materially and adversely affect our results of operations and financial condition.

Our medical support services offer health membership schemes to individual and corporate customers. Our financial results from these products depend, to a significant extent, on the level of consistency between actual benefits that the purchaser receives and the assumptions and estimates we adopt when setting the prices for these products.

Our pricing for the subscription plans is based on assumptions and estimates that we derive from, among other things, data collected from our partners and third-party data providers, industry data as well as historical and current market conditions. In addition, given that the digital health and wellness market is an emerging and rapidly evolving one, capabilities of market players like us to verify and analyze the data collected and accumulated during a relatively short operating period may be limited. Furthermore, if the actual circumstances are not consistent with the data we collect, based on which we formulate our service pricing, or if our actual performance is worse than the underlying

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assumptions, our profitability may be materially and adversely affected, which may, in turn, have a material adverse effect on our business, results of operations and financial condition.

We rely on assumptions and estimates to calculate certain key operating metrics, and inaccuracies in such metrics may harm our reputation and adversely affect our business.

Certain key operating metrics, such as number of registered individual users, number of hospitals connected to our platform, number of registered physicians and medical consultation volume, in this document are calculated based on our internal data that have not been independently verified by third parties. While these numbers are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in measuring usage and user engagement across our large user base. In addition, our key operating metrics are derived and calculated based on different assumptions and estimates, and you should be cautious of such assumptions and estimates when assessing our operating performance.

Our measures of user growth and user engagement may differ from estimates published by third parties or similarly titled metrics used by our competitors due to differences in data availability, sources and methodology. If third parties do not perceive our user metrics to be accurate representations of our user base or user engagement, or if we discover material inaccuracies in our user metrics, our reputation may be harmed and third parties may be less willing to allocate their resources or spending to us, which could adversely affect our business and operating results.

We may not be able to conduct our marketing activities cost-effectively and we are subject to limitations in promoting our business.

We have incurred significant expenses on a variety of different marketing and brand promotion efforts designed to enhance our brand recognition and increase sales of our services and products. However, our brand promotion and marketing activities may not be well received by users and may not result in the sales level we anticipate. Meanwhile, marketing approaches and tools in China’s digital health and wellness market are evolving, which may further require us to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and user preferences. Failure to refine our existing marketing approaches or introduce new marketing approaches in a cost-effective manner could reduce our market share and materially and adversely affect our financial condition, results of operations and profitability.

The wide variety of payment channels that we accept subjects us to third-party payment processing related risks.

We accept payments via a variety of channels, which includes online payments through various third-party online payment platforms such as Alipay and WeChat Pay. We may be charged interchange and other fees for certain payment methods, which may increase over time and raise our operating costs and lower our profit margins. We may also be subject to fraud and other illegal activities in connection with the various payment methods we offer, including online payment and cash on delivery options.

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We are also subject to various rules, regulations and requirements governing electronic funds transfers in China, which could change or be reinterpreted to be difficult or impossible for us to comply with. For example, in November 2017, the PBOC published a notice (the “**PBOC Notice**”), on the investigation and administration of illegal offering of settlement services by financial institutions and third-party payment service providers to unlicensed entities. The PBOC Notice intended to prevent unlicensed entities from using licensed payment service providers as a conduit for conducting unlicensed payment and settlement services, so as to safeguard the security of fund and information. As the laws and regulations in this area are still evolving and subject to interpretation, we cannot assure you that the PBOC or other governmental authorities will not scrutinize our cooperation with third-party online payment service providers. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our users, process electronic funds transfers or facilitate other types of online payments, and our business, financial condition and results of operations could be materially and adversely affected.

Our business may be materially and adversely affected by adverse news, scandals or other incidents associated with China’s health and wellness industry.

Incidents that reflect doubt as to the quality or safety of pharmaceutical and healthcare products manufactured, distributed or sold by other market players in China’s health and wellness industry, particularly the digital health and wellness industry, including our competitors, have been and may continue to be, subject to widespread media attention. Such incidents may damage the reputation of not only the parties involved, but also the digital health and wellness industry in general, even if such parties or incidents have no relation to us, our management, our employees, or our suppliers. Such negative publicity may indirectly and adversely affect our reputation and business operations. In addition, incidents not related to product quality or safety, or other negative publicity or scandals implicating our employees or us, regardless of merit, may also have an adverse impact on us and our reputation and corporate image.

Failure to deal effectively with any fictitious transactions or other fraudulent conduct would materially and adversely affect our business, financial condition and results of operations.

We may face risks with respect to fraudulent activities on our platform. For example, our individual users may provide false information to physicians on our platform in order to obtain prescriptions that they are not supposed to get. Although we have implemented various measures to detect and reduce the occurrence of fraudulent activities on our platform, there can be no assurance that such measures will be effective in combating fraudulent transactions or improving overall satisfaction among our users. Such fictitious transactions and fraudulent conduct may subject us to lawsuits, regulatory investigations, fines and penalties against us.

Moreover, illegal, fraudulent or collusive activities by our employees, such as fraud, bribery or corruption, could also subject us to liability or negative publicity or cause losses. Although we have internal controls and policies with regard to the review and approval of sales activities and other relevant matters, we cannot assure you that such controls and

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policies will prevent fraud or illegal activity by our employees. Negative publicity and user sentiment generated as a result of actual or alleged fraudulent or deceptive conduct on our platform or by our employees would severely diminish our users’ confidence in us, reduce our ability to attract new or retain current users, damage our reputation and diminish the value of our brand names, and materially and adversely affect our business, financial condition and results of operations.

Our self-developed technologies are complex and may contain undetected errors or may not operate properly, which could adversely affect our business, financial condition and results of operations.

Our self-developed technologies are essential to our business operations. The development of self-developed technologies is time-consuming, expensive, and complex, and may involve unforeseen difficulties. Any system interruptions caused by telecommunications failures, unavailability or slowdown of our platform, or reduced order fulfillment performance due to attempts to harm our systems such as computer viruses and hacking could impact the function of our services and solutions. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to system outages, website slowdown or unavailability, delays or errors in transaction processing, loss of data or the inability to accept and fulfill user orders.

Moreover, software and technology development services that we provide to hospitals may develop or contain undetected defects or errors. Material performance problems, defects or errors in our existing or new software, applications and services may arise in the future and result from interface issues between our systems and data that we did not develop and the function of which is beyond our control or undetected in our testing. These defects and errors, and any failure by us to identify and address them, could result in loss of revenue or market share, diversion of development resources, harm our reputation and increased service and maintenance costs. Defects or errors may discourage existing or potential users from utilizing our solutions. Correction of defects or errors could prove to be impossible or impracticable. The costs incurred in correcting any defects or errors may be substantial and could have a material adverse effect on our business, financial condition and results of operations.

If we fail to upgrade our technology infrastructure, adopt new technologies or adapt our platform to changing user requirements or emerging industry standards, or if our efforts to invest in such development are unsuccessful or ineffective, our business may be materially and adversely affected.

The digital health and wellness industry is characterized by rapid technological change, evolving industry standards and regulatory requirements, introductions of new services and products as well as changing user demands. We are also affected by other changes and developments in the digital health, Internet, healthcare and other industries in which we operate. These changes and developments may require us to continuously innovate, and failure to do so would have a material adverse effect on our business, financial condition and results of operations.

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We may need to constantly upgrade our technology infrastructure to provide increased scale, improved performance and additional built-in functionality of our platform and to keep pace with our business development, which may require significant investments in time and resources, including adding new hardware, updating software and recruiting and training new engineering personnel. Failure to improve our technology infrastructure accordingly may materially affect our ability to adopt new services and products, and could result in unanticipated system disruptions, slow response times and impaired quality of our users’ and other stakeholders’ experiences, which may, in turn, materially and adversely affect our business, financial condition, results of operation, prospects and reputation.

Furthermore, we invested during the Track Record Period, and expect to continuously invest, significant amounts in upgrading our technology infrastructure and developing our technologies. We are likely to recognize costs associated with these investments earlier than some of the anticipated benefits. The return on these investments may be lower or develop more slowly than expected. We may not be able to recover our capital expenditures or investments, in part or in full, or the recovery of these capital expenditures or investments may take longer than expected. As a result, the carrying value of the related assets may be subject to an impairment charge, which may materially and adversely affect our financial condition and results of operations.

Our business generates and processes a large amount of data, and is subject to complex and evolving regulations and oversight related to data security.

Our platform generates and processes a large amount of personal, transaction, demographic and behavioral data. Sensitive user information in our business operations is stored in the data center established and owned by us. Such information includes, but is not limited to, personal information (such as username, cell phone number, delivery address, age and gender), consultation record, order record and activity log. We face risks inherent in handling large volumes of data and securing and protecting such data, in particular, the risks of protecting the data in and hosted on our system, including against attacks by external parties or improper behavior by our employees; addressing concerns related to privacy and sharing, safety, security and other factors; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data. Any systems failure, security breach or lapse that results in the unauthorized release of our user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability.

In the PRC, the rules governing the collection, use, disclosure or security of personal information are separately stipulated in various laws, regulations and rules. On November 7, 2016, the Cyber Security Law (《網絡安全法》) was promulgated by the Standing Committee of the National People’s Congress, as the PRC’s first basic law comprehensively regulating cyberspace security management. Regulatory requirements regarding the protection of such data are constantly evolving and can be subject to significant change, making the extent of our responsibility in that regard uncertain. See “Regulatory Overview—Regulations relating to Cyber Security, Information Security, Privacy and Data Protection.”

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On June 10, 2021, the SCNPC issued the Data Security Law (《數據安全法》) to regulate data processing activities and security supervision in the PRC, which took effect on September 1, 2021. The Data Security Law provides a national data security review system, under which data processing activities that affect or may affect national security shall be reviewed. Any organizational or individual data processing activities that violate the Data Security Law shall bear the corresponding civil, administrative or criminal liabilities depending on specific circumstances. Furthermore, along with the promulgation of the Opinions of the General Office of the CPC Central Committee and the General Office of the State Council on Strictly Cracking Down On Illegal Securities Activities in accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》) (the “**July 6 Opinion**”), overseas-listed companies with a principal place of business in China are experiencing heightened scrutiny over their compliance with laws and regulations regarding data security, cross-border data flow and management of confidential information from the PRC regulatory authorities. Such laws and regulations are expected to undergo further changes, which may require increased information security responsibilities and stronger cross-border information management mechanism and process. On July 10, 2021, the Cyberspace Administration of China (the “**CAC**”) published the Measures for Cybersecurity Review (Revised Draft for Comments) (《網絡安全審查辦法(修訂草案徵求意見)》) (the “**Revised Draft**”), which stipulates that data processors which possess personal information of over one million users and intend for a “foreign” listing must apply for a cybersecurity review. On December 28, 2021, the CAC promulgated the Measures for Cyber Security Review (《網絡安全審查辦法》) (the “**Cyber Security Review**”), which came into effect on February 15, 2022. The Cyber Security Review stipulates that if an operator possesses personal information of over one million users and intends for “foreign” listing (國外上市), it must be subject to the cybersecurity review. However, the Cyber Security Review provides no further explanation or interpretation for “foreign” listing (國外上市).

On November 14, 2021, the CAC published the Administration Regulations on Cyber Data Security (Draft for Comments) (《網絡數據安全管理條例(徵求意見稿)》) (the “**Cyber Data Security Draft**”), which covers a wide range of cyber data security issues and applies to the use of networks to carry out data processing activities, as well as the supervision and management of data security in the PRC. The Cyber Data Security Draft also reiterates the circumstances under which data processors shall apply for cybersecurity review, including, among others, (i) the data processors who process personal information of at least one million users apply for “foreign” listing (國外上市); and (ii) the data processors’ listing in Hong Kong affects or may possibly affect national security. However, it provides no further explanation or interpretation as to how to determine what constitutes “affecting national security”, and there remain uncertainties whether we would be subject to the cybersecurity review for the [REDACTED] pursuant to such Cybersecurity Review Measures. In addition, the operative provisions may be subject to change with substantial uncertainty.

Besides cybersecurity review, the Cyber Data Security Draft sets out general guidelines, protection of personal information, security of important data, security management of cross-border data transfer, obligations of network platform operators, supervision and management, and legal liabilities. It remains uncertain whether the proposed measures will be applicable to our business, the [REDACTED], or whether the future regulatory changes would impose additional restrictions on companies like us.

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Any failure, or perceived failure, by us to comply with our privacy policies or any applicable regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business model or practices, increase our costs and severely disrupt our business. For example, we were ordered by relevant competent authorities to rectify certain noncompliance incidents in relation to cybersecurity and data privacy during the Track Record Period. As of the Latest Practicable Date, we had made rectification as required by the competent authorities in full. As we expand our operations, we may be subject to additional laws in other jurisdictions where our users and business partners of our platform are located. The laws, rules and regulations of other jurisdictions may impose on us more stringent or conflicting requirements with harsher penalties for non-compliance than those in the PRC. Compliance with such requirements could require significant resources and result in substantial costs, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Our use of open source technology could impose limitations on our ability to commercialize our services.

Our provision of services incorporates open source software components that are licensed to us under various public domain licenses. Some open source software licenses require users who distribute open source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code on unfavorable terms or at no cost. There is little or no legal precedent governing the interpretation of many of these licenses and therefore the potential impact of such licenses on our business is not fully known or predictable. There is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our services.

While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our source code or that would otherwise breach the terms of an open source license, such use could inadvertently occur and we may be required to release our proprietary source code, pay damages for breach of contract, re-code or engineer one or more of our offerings, discontinue provisions of one or more of our services in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from our development efforts, any of which could cause us to breach obligations to our users, harm our reputation, result in user losses or claims, increase our costs or otherwise adversely affect our business and results of operations.

Our business could be disrupted by network interruptions.

Our business depends on the efficient and uninterrupted operation of our computer and communications systems. Our technology infrastructure contains substantial quantities of data relating to our users and other stakeholders of our platform such as account information, consultation records and transaction data, among other things, which enable our users and other stakeholders to fully engage in our platform. Although we have

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prepared for contingencies through redundancy measures and data disaster recovery procedures and we are in the process of establishing our active data centers, such preparation may not be sufficient and we do not carry business interruption insurance. Furthermore, despite any precautions we may take, the occurrence of a natural disaster, such as an earthquake, flood or fire, or other unanticipated incidents at our technology infrastructure facilities in China, including power outages, telecommunications delays or failures, break-ins to our systems or computer viruses, could result in delays or interruptions to our platform and operations as well as loss of our users’ and other stakeholders’ data. Any of these events could damage our reputation, materially disrupt our platform and subject us to liability and claims, which may materially and adversely affect our business, financial condition and results of operations.

If other companies copy information from our mobile applications and websites, and publish or aggregate it with other information for their own benefit, traffic to our mobile applications and websites may decline.

There is no assurance that other companies would not copy information from our mobile applications and websites, through website scraping, robots or other means, and publish or aggregate it with other information for their own benefit. When third parties copy, publish, or aggregate content from our mobile applications and websites, it makes them more competitive, and decreases the likelihood that users will use our mobile applications and websites to find the information they seek, which could materially and adversely affect our business and results of operations. We may not be able to detect such third-party conduct in a timely manner and, even if we could, we may not be able to remove it. In addition, we may be required to expend significant financial or other resources to enforce our rights successfully.

We may not be able to prevent others from unauthorized use of our intellectual property, which could harm our business and competitive position.

We regard our trademarks, copyrights, patents, domain names, know-how, proprietary technologies, and similar intellectual property as critical to our success, and we rely on a combination of intellectual property laws and contractual arrangements, including confidentiality agreements with our employees and third parties, to protect our proprietary rights. Despite these measures, any of our intellectual property rights could be challenged, invalidated, circumvented or misappropriated, or such intellectual property may not be sufficient to provide us with competitive advantages. In addition, although we are not aware of any copycat websites or mobile applications that attempt to cause confusion or traffic diversion from us at the moment, we may become an attractive target for such attacks in the future because of our brand recognition in China’s digital health and wellness industry.

In addition, there can be no assurance that our patent applications would be approved, that any issued patents would adequately protect our intellectual property rights, or that such patents would not be challenged by third parties or declared invalid or unenforceable by a judicial authority. With respect to certain registered trademarks, because the relevant licensing agreement has not been filed with the relevant trademark authorities in the PRC

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for record, these trademarks may be challenged by any bona fide third party against us. The unauthorized reproduction of our trademarks could diminish the value of our brand, market reputation, as well as competitive advantages.

Statutory laws and regulations are subject to judicial interpretation and enforcement and may not be applied consistently due to the lack of clear guidance on statutory interpretation. For example, when a party files a trademark registration application, it is not able to exclude the possibility that a third party may have filed an application to register the same or a similar trademark before it because such application may not have appeared in the relevant trademark authority’s database.

Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or enforce our contractual rights in the PRC. Policing any unauthorized use of our intellectual property is difficult and costly and the steps that we take may be inadequate to prevent the infringement or misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources, and could put our intellectual property at risk of being invalidated or narrowed in scope. There can be no assurance that we would prevail in such litigation, and even if we manage to prevail, we may not obtain a meaningful recovery. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in maintaining, protecting or enforcing our intellectual property rights could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.

We cannot be certain that our operations or any aspects of our business do not or would not infringe upon or otherwise violate patents, copyrights or other intellectual property rights held by third parties. We have been, and from time to time in the future may be, subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be other third-party intellectual property that is infringed by our products, services or other aspects of our business. There could also be existing patents of which we are unaware that our products may inadvertently infringe. There can be no assurance that holders of patents purportedly relating to some aspect of our platform or business, if any such holders exist, would not seek to enforce such patents against us in the PRC or any other jurisdictions as applicable. Furthermore, the application and interpretation of the PRC patent laws and the procedures and standards for granting patents in the PRC are still evolving and are uncertain, and there can be no assurance that the PRC courts or regulatory authorities would agree with our analysis. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses, and may be forced to divert management’s time and other resources from our business and operations to defend against these third-party infringement

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claims, regardless of their merits. Successful infringement or licensing claims made against us may result in significant monetary liabilities and may materially disrupt our business and operations by restricting or prohibiting our use of the intellectual property in question, which may materially and adversely affect our business, financial condition and results of operations.

Our performance depends on key management as well as experienced and capable personnel generally.

Our future success is significantly dependent upon the continued service of our management and key personnel. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth, therefore materially and adversely affecting our business, financial condition, results of operations and prospects.

Meanwhile, the size and scope of our Company may require us to hire and retain a wide range of experienced personnel who can adapt to a dynamic, competitive and challenging business environment. We will need to continue to attract and retain experienced and capable personnel at all levels as we expand our business and operations. Competition for talent in China’s digital health and wellness market is intense, and the availability of suitable and qualified candidates in China is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. In addition, even if we were to offer higher compensation and other benefits, there can be no assurance that these individuals would choose to join or continue working for us.

Our key employees are subject to confidentiality terms that prohibit them from disclosing confidential and proprietary information, and they are also subject to non-competition arrangements. However, we cannot assure you that such arrangements can be fully and legally enforced. If any of our senior management or other key personnel joins or establishes a competing business, we may lose some of our customers, which may have a material adverse effect on our business.

If we are unable to recruit, train and retain qualified personnel or fail to do so in a cost efficient manner, our business may be materially and adversely affected.

We intend to hire additional qualified employees to support our business operations and planned expansion. Our future success depends, to a significant extent, on our ability to recruit, train and retain qualified personnel, particularly healthcare, technical, fulfillment, marketing and other operational personnel with experience in the health and medical industry.

Since our industry is characterized by high demand and intense competition for talent and labor, we may provide no assurance that we will be able to attract or retain qualified staff or other highly skilled employees that we will need to achieve our strategic objectives. We have observed an overall tightening of the labor market and an emerging trend of shortage of labor supply. Failure to obtain stable and dedicated personnel may lead to

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underperformance of our operation. Labor costs in China have increased with China’s economic development, particularly in the large cities where we operate our business. Therefore, to maintain and enhance our competitiveness, we may from time to time need to adjust certain elements of our operations in response to evolving economic conditions and business needs. Any failure to address these risks and uncertainties could materially and adversely affect our financial performance and prospects of achieving profitability, which could have a material adverse impact on our business development, financial conditions and results of operations. In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth in a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

We, our Directors or senior management may become party to litigation, other legal or administrative disputes and proceedings.

Our business operations entail substantial litigation and regulatory risks, including the risk of lawsuits and other legal actions relating to medical disputes, fraud and misconduct, consumer protection, sales and user services and control procedures deficiencies, as well as the protection of personal and confidential information of our users and business partners, among others. We may be subject to claims and lawsuits in the ordinary course of our business. We may also be subject to inquiries, inspections, investigations and proceedings by relevant regulatory and other governmental agencies. Actions brought against us may result in settlements, injunctions, fines, penalties or other results adverse to us that could harm our business, financial condition, results of operations and reputation. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant to us. A significant judgment or regulatory action against us or a material disruption in our business arising from adverse adjudications in proceedings against our directors, officers or employees would have a material adverse effect on our liquidity, business, financial condition, results of operations, reputation and prospects. In addition, events or activities attributed to our Directors or senior management, and related publicity, whether or not justified, may affect their ability or willingness to continue to serve or dedicate their efforts to our company and negatively affect our brand and reputation, resulting in an adverse effect on our business, operating results and financial condition.

If we fail to maintain adequate internal controls, we may not be able to effectively manage our business and may experience errors or information lapses affecting our business.

Our success depends on our ability to effectively utilize our standardized management system, information systems, resources and internal controls. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our business, and may cause errors or information lapses that affect our business. Our efforts in improving our internal control system may not eliminate all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to effectively manage our business may be affected.

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Failure to renew our current leases or locate desirable alternatives for our facilities could materially and adversely affect our business.

We lease properties for our offices and other corporate facilities. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all, and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could materially and adversely affect our business, financial condition and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our facilities as our business continues to grow and failure in relocating our affected operations could materially and adversely affect our business and operations.

We may need additional capital but may not be able to obtain such on favorable terms or at all.

We may require additional cash resources when we incur operating losses or for future growth and development of our business, including any investments or acquisitions we may decide to pursue. If our cash resources are insufficient to satisfy our cash requirements, we may seek to issue additional equity or debt securities or obtain new or expanded credit facilities. Our ability to obtain external financing in the future is subject to a variety of uncertainties, including our future financial condition, results of operations, cash flows, share price performance, liquidity of international capital and lending markets and the PRC governmental regulations over foreign investment and the healthcare industry, including the digital health and wellness industry. In addition, incurring indebtedness would subject us to increased debt service obligations and could result in operating and financing covenants that would restrict our operations. There can be no assurance that financing would be available in a timely manner or in amounts or on terms favorable to us, or at all. Any failure to raise needed funds on terms favorable to us, or at all, could severely restrict our liquidity as well as have a material adverse effect on our business, financial condition and results of operations. Moreover, any issuance of equity or equity-linked securities could result in significant dilution to our existing shareholders.

Our insurance coverage may not be adequate, which could expose us to significant costs and business disruptions.

We have obtained or caused relevant counterparties to obtain insurance to cover certain potential risks, liabilities and medical liability claims, such as professional liability insurance for physicians who issue prescriptions to patients on our platform. However, we may not be able to acquire any insurance for certain types of risks such as business liability or service disruption insurance for all of our operations in the PRC, and our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. For example, we do not maintain business interruption insurance, nor do we maintain key-man life insurance. Any business disruption, litigation, regulatory action, outbreak of epidemic disease or natural disaster could also expose us to substantial costs and diversion of resources. There can be no assurance that our insurance

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coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policies on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

User growth and activity on mobile devices depend upon effective use of mobile operating systems, networks and standards that we do not control.

Individual users can access our platform to seek healthcare services through mobile devices. To optimize the mobile experience, we are, to some extent, dependent on our users downloading the specific mobile applications for their particular devices. As new mobile devices and operating platforms are being developed and introduced, it is difficult to predict the problems we may encounter in developing applications for these alternative devices and operating platforms, and we may need to devote significant resources to developing, supporting and maintaining such applications. In addition, our future growth and results of operations could suffer if we experience difficulties in integrating our mobile applications into mobile devices or if problems arise with our relationships with providers of mobile operating systems or mobile app stores, if our applications receive unfavorable treatment compared to competing applications at app stores, or if we face increased costs to distribute or have users use our mobile applications.

In the event that it becomes more difficult for our users to access and use our platform on their mobile devices, or if our users choose not to access or use our platform on their mobile devices or to use operating systems that are not accessible to our platform, our user growth could be harmed and our business, financial condition and results of operations may be adversely affected.

Our operations depend on the performance of the Internet infrastructure and fixed telecommunications networks in China, as well as the effectiveness of mobile operating systems and networks.

Almost all access to mobile and Internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology (“MIIT”). We primarily rely on a limited number of telecommunication service providers to provide data communications capacity through local telecommunications lines and Internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China’s public communications networks, such as mobile, Internet or the fixed telecommunications networks. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We cannot assure you that the public communications infrastructure in China will be able to support the demands associated with the continued growth in usage. In addition, we have no control over the costs of the services provided by public communications service providers. If the prices we pay for their services rise significantly, our financial performance may be adversely affected.

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Furthermore, if mobile access fees or other charges to mobile users increase, our user traffic may decline and our business may be harmed.

We face risks relating to natural disasters, epidemics and other public health crises, which could significantly disrupt our operations.

Our business could be adversely affected by the effects of epidemics. In recent years, there have been breakouts of epidemics in China and globally. For example, since early 2020, regions where we have business operations in China have been affected by the COVID-19 outbreak. After the initial outbreak of COVID-19, from time to time, some instances of COVID-19 or its variants infections have emerged in various regions in China. Our employees were unable to go to our offices for an extended period, which negatively impacted our operational efficiency. As a result, our operations have, to a certain extent, been impacted by delays in business activities and commercial transactions. COVID-19 has also resulted in temporary closures of many corporate offices, manufacturing facilities and factories across China, which impacted the operations of our suppliers and other business partners.

We are also vulnerable to natural disasters and other calamities. Part of our servers and back-end system are hosted and maintained at cloud servers that we do not operate. We cannot assure you that our cloud service providers will have adequate measures to protect themselves from the effects of fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events. Any of the foregoing events may give rise to server interruptions, breakdowns, system failures, platform failures or Internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide services on our platform.

Fluctuation of fair value change of wealth management products at fair value through profit or loss may affect our results of operations, and the valuation of wealth management products is uncertain due to the use of unobservable inputs.

Fluctuations in fair value change of the wealth management products we purchased at fair value through profit or loss may affect our results of operations. We made investments in wealth management products during the Track Record Period and recorded a fair value of wealth management products of RMB10.0 million, nil and nil as of December 31, 2020, 2021 and 2022, respectively. The wealth management products we purchased consisted primarily of wealth management products that we purchased from reputable commercial banks with low risks and a short term of no more than one year. We are exposed to credit risk in relation to our investments in wealth management products, which may adversely affect the net changes in their fair value. We cannot assure you that market conditions and regulatory environment will create fair value gains on the wealth management products we invest in or that we will not incur any fair value losses on our investments in wealth management products. In addition, the valuation of wealth management is uncertain due to the use of unobservable inputs that are inherently uncertain. If we incur fair value losses with respect to the wealth management products we have invested in, our results of operations, financial condition and prospects may be adversely affected.

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Our strategic alliances, investments or acquisitions may have a material adverse effect on our business, reputation, financial condition and results of operations.

We may evaluate and consider strategic investments and acquisitions or enter into strategic alliances to develop new services or solutions and enhance our competitive position. Investments or acquisitions involve numerous risks, including the potential failure to achieve the expected benefits of the combination or acquisition; difficulties in, and the cost of, integrating operations, technologies, services and personnel; potential write-offs of acquired assets or investments; and downward effect on our operating results. These transactions will also divert the management’s time and resources from our normal operations, and we may have to incur unexpected liabilities or expenses. We may also, in the future, enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with potential leakage of proprietary information, non-performance by the counterparty and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business.

We may be unable to identify appropriate acquisition or strategic investment targets when it is necessary or desirable to make such acquisition or investment to remain competitive or to expand our business.

We plan to invest in, or acquire the equity interest of companies that can generate synergies with our existing services and solutions, expand our customer base, and/or enhance our technological capabilities. However, we cannot assure you that we will be able to identify appropriate opportunities in a timely manner. Even if we do, we may not be able to negotiate the terms of the acquisition or investment successfully, finance the proposed transaction or integrate the relevant businesses into our existing business and operations. Furthermore, we may lose the acquisition opportunities to our competitors as many of them are concurrently looking for similar targets to improve their competitiveness.

RISKS RELATING TO THIRD PARTIES

We rely on Internet infrastructure, bandwidth providers, data center providers, other third parties and our own systems in providing certain services and solutions to our individual and corporate customers.

Our ability to deliver our services and solutions is dependent on the development and maintenance of the infrastructure of the Internet and other telecommunications services by third parties. This includes maintenance of a reliable network connection with the necessary speed, data capacity and security for providing reliable Internet access and services and reliable telephone and facsimile services. As a result, our information systems require an ongoing commitment of significant resources to maintain and enhance existing systems and develop new systems in order to keep pace with continuing changes in information technology, emerging cybersecurity risks and threats, evolving industry and regulatory standards and changing preferences of our users.

Our provision of services is designed to operate without interruption in accordance with our service level commitments. However, we have experienced limited interruptions in

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these systems in the past, including server failures that temporarily slow down the performance of our provision of services, and we may experience more significant interruptions in the future. We rely on internal systems and vendors, including bandwidth and telecommunications equipment providers, to provide our services. We do not maintain redundant systems or facilities for some of these services. Interruptions in these systems, whether due to system failures, computer viruses, physical or electronic break-ins or other catastrophic events, could affect the security or availability of our services and prevent or inhibit our users from accessing our services.

If a catastrophic event were to occur with respect to one or more of these systems or facilities, we may experience an extended period of system unavailability, which could result in substantial costs to remedy those problems or negatively impact our relationship with our partners, our business, results of operations and financial condition. To operate without interruption, both our vendors and we must guard against:

- damage from fire, power loss and other natural disasters;
- telecommunications failures;
- software and hardware errors, failures and crashes;
- security breaches, computer viruses and similar disruptive problems; and
- other potential interruptions.

Any disruption in the network access, telecommunications or co-location services provided by vendors, or any failure of or by vendors’ systems or our own systems to handle current or higher volume of use could significantly harm our business. We exercise limited control over these vendors, which increases our vulnerability to problems with services they provide. Any errors, failures, interruptions or delays experienced in connection with these vendor technologies and information services or our own systems could negatively impact our relationships with partners and adversely affect our business and could expose us to liabilities. We do not maintain insurance for interruption of business. In addition, we cannot provide assurance that we will continue to obtain adequate insurance coverage at an acceptable cost. Therefore, any systems failures may significantly harm our business.

The reliability and performance of our Internet connection may be harmed by increased usage or by denial-of-service attacks. The Internet has experienced a variety of outages and other delays as a result of damages to portions of its infrastructure, and it could face outages and delays in the future. These outages and delays could reduce the level of Internet usage and the availability of the Internet to us for delivery of our Internet-based services.

Our sales process is highly dependent on the quality of our offerings, our business reputation and on strong recommendations from our existing users. Any failure to maintain high-quality and highly responsive technical support, or a market perception that we do not maintain high-quality and highly responsive support, could harm our reputation, adversely

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affect our ability to sell our offering to existing and prospective users, and harm our business, results of operations and financial condition.

We may be the subject of anti-competitive, harassing, or other detrimental conduct by third parties including complaints to regulatory agencies, negative blog postings, and the public dissemination of malicious assessments of our business.

We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct includes complaints, anonymous or otherwise, to regulatory agencies. Our brand name and business may be harmed by our competitors’ aggressive marketing and communications strategies. The PRC laws and regulations also prohibit agreements and activities which amount to unfair business competition and an abuse of a dominant market position. We cannot assure you that we will not, in the future, be subject to such unfair business competition or dominant market position abuse imposed by third parties. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Additionally, allegations, directly or indirectly against us, may be posted in Internet chat-rooms or on blogs or websites by anyone, whether or not related to us, on an anonymous basis. Consumers value readily available information concerning retailers, manufacturers, and their goods and services and often act on such information without further investigation, authentication or with regard to its accuracy. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate without affording us an opportunity for redressing or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business, which in turn may cause us to lose market share, users and revenue and adversely affect the price of our Shares.

We partner with third-party couriers to deliver orders, and our third-party merchants also use third-party couriers to deliver a significant number of orders.

We partner with third-party couriers to deliver our products. Interruptions to or failures in these delivery services could prevent the timely or proper delivery of the products to users. These interruptions may be due to events that are beyond our control or the control of these delivery companies, such as inclement weather, natural disasters, virus outbreaks, transportation disruptions or labor unrest. In addition, we have also reached contractual agreements with certain third-party couriers, who will help collect payments for our health products upon delivery. If the couriers we collaborate with fail to comply with applicable rules and regulations in China, their services may be materially and adversely affected, which in turn will materially and adversely affect our business. We may not be able to find alternative delivery companies to provide delivery services in a timely and reliable manner, or at all. Delivery of our products could also be affected or interrupted by the

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merger, acquisition, insolvency or government shut-down of the delivery companies that we or third-party merchants engage with to make deliveries, especially those local companies with relatively small business scales. If our products are not delivered in proper condition or on a timely basis, our business and reputation may be materially and adversely affected.

RISKS RELATING TO THE REGULATORY REQUIREMENTS

We are subject to extensive and evolving regulatory requirements, non-compliance with which, or changes in which, may materially and adversely affect our business and prospects.

We are subject to legal and regulatory requirements of multiple industries in the PRC. These industries primarily include the Internet, healthcare, and digital health and wellness industries.

Various regulatory authorities of the PRC government are empowered to promulgate and implement regulations governing broad aspects of the Internet and healthcare industries. In respect of the healthcare industry, in particular, any violation of the relevant laws, rules and regulations may result in harsh penalties and, under certain circumstances, lead to criminal prosecution.

Meanwhile, regulations of the digital health and wellness industry are relatively new and evolving, and their interpretation and enforcement involve significant uncertainty. As a result, under certain circumstances, it may be difficult to determine what actions or omissions would be deemed in violation of applicable laws and regulations. These uncertainties entail risks that may materially and adversely affect our business prospects. In a regulatory climate that is uncertain, our operations may be subject to direct and indirect adoption, expansion or reinterpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our business models and practices at an undeterminable and possibly significant financial cost. These additional monetary expenditures may increase future overhead, which may, in turn, have a material adverse effect on our business, financial condition and results of operations.

We have identified what we believe are the primary areas of government regulation that, if changed, would be costly to us. These areas include, but are not limited to, value-added telecommunications services, administration of medical practitioners and medical institutions, sale of health products, pharmaceutical products and medical devices, online medical treatment, online operations of pharmaceutical products, Internet advertising, cybersecurity and confidentiality of user information. See “Regulatory Overview.” There could be other laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us.

Due to the uncertainty and complexity of the regulatory environment, we cannot assure you that subsequent laws and regulations would not render our operations non-compliant or that we would always be in full compliance with applicable laws and regulations. In the event that we must remedy any violations, we may be required to modify our business models as well as product and service offerings in a manner that undermines our solution’s attractiveness to our users. We may also become subject to fines or other

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penalties or, if we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate the non-compliant operations. In each case, our business, financial condition and results of operations may be materially and adversely affected.

Furthermore, the introduction of new services and products may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate permits, licenses or certificates as well as expending additional resources to monitor developments in the relevant regulatory environment. The failure to adequately comply with these future laws and regulations may delay, or possibly prevent, some of our products or services from being offered to users, which may have a material adverse effect on our business, financial condition and results of operations.

Failure to pay the social insurance and housing provident funds on behalf of our employees may subject us to penalties.

Companies operating in China are required to pay for their employees’ social insurance (in most cases including pension insurance, unemployment insurance, medical insurance, work-related injury insurance and maternity insurance) and housing provident funds in amounts equal to a certain percentage of salaries, including bonuses and allowances, of their employees up to a maximum amount specified by the local government from time to time at locations where they operate their business.

During the Track Record Period, some of our PRC subsidiaries had not open social insurance account or housing provident fund account for some employees, or made full contributions to the social insurance plan and housing provident fund based on the actual salary level of some of our employees as prescribed by relevant laws and regulations. We estimate that the total outstanding amount of social insurance and housing provident fund contributions during the Track Record Period that may be required by the relevant authorities to be repaid would be approximately RMB5.5 million, for which we have made full provision. During the Track Record Period and up to the Latest Practicable Date, some of our PRC subsidiaries engaged third-party human resources agencies in paying social insurance and housing provident funds for some of our employees, mainly to provide such payments for our local sales and marketing personnel based in various cities where we did not set up operating entities. As of the Latest Practicable Date, we had not received any notice from the local authorities that impose upon us administrative penalties for delay in account opening and insufficient contributions, or any claim or request from the relevant employees that requires us to make payments. See “Business—Legal Proceedings and Regulatory Compliance—Historical Non-Compliance Incidents—Social Insurance and Housing Provident Fund Contributions” for more information. Our PRC Legal Advisor advised us that, pursuant to relevant PRC laws and regulations, where the PRC subsidiaries fail to register with social insurance agencies and housing provident fund management centers and open accounts, such PRC subsidiaries may be imposed a fine of no less than one time, but no more than three times, the amount of social insurance premiums payable for failing to open a social insurance account within prescribed time, and may be imposed a fine of no less than RMB10,000, but no more than RMB50,000, for failing to open a housing provident fund account within prescribed time, respectively. Pursuant to relevant PRC laws

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and regulations, we may be ordered by the relevant PRC authorities to pay the outstanding social insurance contributions within a prescribed time limit, and the undercontribution of social insurance within a prescribed period may subject us to a daily overdue charge of 0.05% of the delayed payment amount, and if we fail to comply when ordered, the relevant authorities may impose a maximum fine or penalty equivalent to three times the outstanding amounts. With respect to housing provident funds, the relevant authorities may order us to pay the outstanding amounts within the prescribed time period, and they may apply to a competent court for enforcement of the outstanding amounts if we fail to do so.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain customers settled their payments with us through third-party payors (the “**Third-party Payment Arrangement(s)**”). The third-party payors primarily consist of external promotion personnel. In 2020, 2021 and 2022, the aggregate third-party payments were nil, RMB0.8 million and nil, respectively, accounting for an insignificant percentage of the total revenue. We have implemented certain internal control measure to reduce third-party payments and mitigate the relevant risks. Before accepting any payment, our financial department shall review payment details to ensure the identity of payor is consistent with customer information specified in the contract. In case the identity of payor cannot be ascertained, we will perform internal procedures to determine whether to refuse or refund such payment. Since July 2021, we had ceased all Third-party Payment Arrangements.

We are subject to various risks relating to such Third-party Payment Arrangements during the Track Record Period, including possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors. In the event of any claims from third-party payors or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we will have to use additional financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may as a result be adversely affected.

We may be subject to penalties or disputes against us for failure to manage physicians registered on our platform.

The practice of physicians is strictly regulated under the PRC laws, rules and regulations. Physicians who practice at medical institutions must hold practicing licenses and may only practice within the scope of their licenses. Under applicable PRC regulations, a physician shall register the medical institutions where the physician practices on their licenses with the relevant authorities in the PRC (the “**Medical Institution Registration**”). In addition, a physician is allowed to practice in multiple institutions if the physician has filed with the competent health administration authorities or conducted other filing procedures as required by applicable laws and regulations (the “**Multi-site Practice Filing**”). If a medical institution allows a physician to issue prescription when such medical institution is not registered or filed as required by applicable laws and regulations, such medical institution would be subject to regulatory penalties, including a fine of up to RMB5,000

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and, in the worst case scenario, revocation of the medical institution’s Practicing License for Medical Institutions.

Failure to properly manage the registration of physicians practicing on our platform may subject us to administrative penalties against our medical institutions, including fines, or, in the worst case scenario, revocation of our Practicing License for Medical Institutions, any of which could materially and adversely affect our business. Meanwhile, if physicians practicing on our platform are found to have deficient registration or found to be practicing beyond the scope permitted by relevant authorities, they may be disciplined and lose their practicing licenses. As a result, we may no longer be able to offer certain digital medical services, which could materially and adversely affect our business. In addition, there can be no assurance that we could find qualified replacements in a timely manner on commercially reasonable terms, or at all.

The lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by the PRC laws.

Pursuant to the applicable PRC laws and regulations, property lease agreements must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, we had not completed the relevant property leasing registrations for all our leased properties in China. As advised by our PRC Legal Advisor, the failure to complete the registration process does not affect the validity of the property lease agreements, but a maximum penalty of RMB10,000 may be imposed on us for the non-registration of each lease. We cannot assure we will not be subject to any penalties arising from the non-registration of lease agreements in the future. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. See “Business—Properties.”

Failure to comply with anti-corruption laws and regulations, or effectively manage our employees, affiliates and business partners, such as suppliers and merchants, could severely damage our reputation, and materially and adversely affect our business, financial condition, results of operations and prospects.

We are subject to risks in relation to actions taken by us, our employees, affiliates, suppliers, or third-party merchants that constitute violations of the anti-corruption laws and regulations. There have been several instances of corrupt practices in the healthcare industry in recent years, including, among other things, receipt of kickbacks, bribes or other illegal gains or benefits by physicians and hospitals from pharmaceutical companies and distributors. While we adopt strict internal procedures and work closely with relevant government agencies to ensure compliance of our business operations with relevant laws and regulations, our efforts may not be sufficient to ensure that we comply with relevant laws and regulations at all times.

If we, our employees, affiliates, suppliers, third-party merchants or other business partners violate these laws, rules or regulations, we could be subject to fines and/or other penalties. Actions by the PRC regulatory authorities or the courts to provide an interpretation of the PRC laws and regulations that differs from our interpretation or to

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adopt additional anti-bribery or anti-corruption related regulations could also require us to make changes to our operations. Our reputation, corporate image, and business operations may be materially and adversely affected if we fail to comply with these measures or become the target of any negative publicity as a result of actions taken by us, our employees, affiliates, suppliers or marketplace merchants, which may in turn have a material adverse effect on our business, financial condition, results of operations and prospects.

Any failure or perceived failure by us to comply with the anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

The PRC anti-monopoly enforcement agencies have, in recent years, strengthened enforcement of the PRC Anti-monopoly Law. In March 2018, the SAMR was formed as a new governmental agency to take over, among other things, the anti-monopoly enforcement functions from the relevant departments under the MOFCOM, the NDRC and the SAIC, respectively. Since its inception, the SAMR has continued to strengthen anti-monopoly enforcement. On December 28, 2018, the SAMR issued the Notice on Anti-monopoly Enforcement Authorization, which grants authorities to its province-level branches to conduct anti-monopoly enforcement within their respective jurisdictions. On September 11, 2020, the Anti-monopoly Commission of the State Council issued Anti-monopoly Compliance Guideline for Operators, which requires, under the PRC Antimonopoly Law, operators to establish anti-monopoly compliance management systems to prevent anti-monopoly compliance risks. On February 7, 2021, the Anti-monopoly Commission of the State Council issued the Anti-monopoly Guide of the Anti-monopoly Commission of the State Council for the Platform Economy Sector (the “Anti-monopoly Guide”), which regulates the abuse of a dominant position and other anti-competitive practices of online platforms.

We believe that the risk of our violating the Anti-monopoly Guide is low based on the following reasons. Pursuant to Section 19 of the PRC Anti-monopoly Law, a market participant that has more than 50% of the market share in a relevant market is presumed to have a dominant position in that market. The digital health and medical service market and digital health corporate service market that we operate in are new and rapidly developing, with a large number of market players focusing on different vertical markets. New market players have also entered into these two markets continuously. According to Frost & Sullivan, currently the digital health and medical service market and the digital health corporate service market only represented 18.6% and 12.1%, respectively, of the total digital health and wellness market in 2021, indicating the market is still in its early stage of growth. We believe such a status will likely create a fluid and dynamic competitive landscape rather than a mature market with a dominant participant. For further details, please see “Industry Overview” for a summary of the digital health and wellness market in China. However, we may receive greater scrutiny and attention from regulators and more frequent and stringent investigations or reviews by regulators, which will increase our compliance costs, and it could be time-consuming to comply with the relevant regulations described above to complete future transactions.

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We are subject to changing laws and regulations regarding corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are, or will be, subject to rules and regulations by various governing bodies, including, for example, the Stock Exchange, which together with the SFC is charged with the protection of investors and the oversight of companies whose securities are publicly traded, the various regulatory authorities in China, Hong Kong and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

The PRC regulation of loans to and direct investments in the PRC entities by offshore holding companies may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

Any funds we transfer to our PRC subsidiaries, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. Any foreign loan procured by our PRC subsidiaries or operating entities is required to be registered with the State Administration of Foreign Exchange of the PRC (the “SAFE”) or its local branches, and our PRC subsidiaries may not procure loans exceeding the statutory limits that are required to be registered with the SAFE or its local branches or file with the SAFE through its online service platform. Furthermore, any capital contributions we make to our PRC subsidiaries shall be registered with the SAMR or its local affiliates, and filed with the Ministry of Commerce or its local affiliates. In addition, (i) any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE, or its local branches, and (ii) each of our PRC subsidiaries may not procure loans which exceed the difference between its registered capital and its total investment amount. Any medium or long term loan to be provided by us to our Consolidated Affiliated Entities must be approved and/or registered by the NDRC and the SAFE or its local branches. We may not be able to obtain such approval or complete such registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us directly to our PRC subsidiaries. If we fail to obtain such approval or complete such registration, our ability to use the [REDACTED] of this [REDACTED] and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises (關於改革外商投資企業外匯資金結匯管理方式的通知), or

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SAFE Circular 19. SAFE Circular 19 took effect as of June 1, 2015. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capital of foreign-invested enterprises and allows foreign-invested enterprises to settle their foreign exchange capital at their discretion, but continues to prohibit foreign-invested enterprises from using the RMB fund converted from their foreign exchange capital for expenditures beyond their business scopes. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange (關於改革和規範資本項目結匯管理政策的通知), or SAFE Circular 16. SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capital for expenditure beyond its business scope, investment in securities or investments other than banks’ principal-secured products, providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use except for real estate enterprises. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer to and use the net [REDACTED] in China from this [REDACTED], which may adversely affect our business, financial condition and results of operations.

Changes in international trade or investment policies and barriers to trade or the emergence of a trade war may have an adverse effect on our business.

International market conditions and the international regulatory environment have historically been affected by competition among countries and geopolitical frictions. Geopolitical tensions have led to uncertainties between China and the United States, which may affect our business and results of operations. Changes to trade policies, treaties and tariffs, or the perception that these changes could occur, could adversely affect the financial and economic conditions in the jurisdictions in which we operate, as well as our overseas acquisition plan, global partnership, our financial condition and results of operations.

Despite the U.S. and China reaching a partial trade deal in December 2019, under which the U.S. agreed to cancel some new tariffs and reduce rates for other duties in exchange for China to purchase more U.S. agricultural products and to make changes regarding intellectual property and technology, the trade tension between China and the U.S. may be reinstated. Any escalation in trade tensions or a trade war, or the perception that such escalation or trade war could occur, may have tremendous negative impact on the economies of not only the two countries mentioned but the global economy as a whole, and our business would be adversely affected.

RISKS RELATING TO OUR FINANCIAL POSITION

We have historically incurred net losses and may not be able to achieve or maintain profitability in the future.

During the Track Record Period, we incurred net losses of RMB65.3 million, RMB155.3 million and RMB255.6 million in 2020, 2021 and 2022, respectively, primarily as a result of changes in carrying amount of the redemption liabilities. Losses arising from changes in carrying amount of the redemption liabilities were RMB105.9 million, RMB84.4 million and RMB267.8 million in 2020, 2021 and 2022, respectively. Our adjusted net profit (non-IFRS measure), defined as loss for the year, adding back equity-settled share-based

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payment expenses, changes in carrying amount of the redemption liabilities, and [REDACTED] expenses, were RMB40.6 million, RMB0.5 million and RMB23.9 million in 2020, 2021 and 2022, respectively.

Changes in carrying amount of the redemption liabilities were a non-cash, non-operating item that will not recur upon the [REDACTED]. We expect that our redemption liabilities will be reclassified from liabilities to equity, because all preferential rights of the convertible redeemable preferred shares will terminate upon the [REDACTED] and the relevant redemption liabilities will be re-classified to equity.

Although we had adjusted net profit (non-IFRS measure) for each year during the Track Record Period, we cannot assure that we will achieve or maintain profitability after the [REDACTED]. Our cost of sales or operating expenses may increase in the future as we intend to expand our business operations. Besides, subsequent to the [REDACTED], we may incur additional compliance, accounting, and other expenses that we do not necessarily need to incur as a private company. If our revenue does not grow at a greater rate than our cost or expenses, we may not be able to achieve and maintain profitability. In addition, we may incur considerable losses in the future for various reasons, many of which may be beyond our control. If we fail to achieve, sustain or increase profitability, our business and results of operations could be adversely affected. See “Financial Information—Discussion of Certain Key Statements of Financial Position Items—Working Capital Sufficiency.”

We had net current liabilities and net liabilities during the Track Record Period.

Our net current liabilities and net liabilities throughout the Track Record Period predominantly reflected the accounting effects of the convertible redeemable preferred shares on our consolidated statements of financial position. As of December 31, 2020, 2021 and 2022, our net current liabilities were approximately RMB1,117.7 million, RMB1,209.1 million and RMB1,475.1 million, and our net liabilities were approximately RMB1,107.5 million, RMB1,199.2 million and RMB1,440.8 million, respectively. As of December 31, 2020, 2021 and 2022, redemption liabilities arising from the convertible redeemable preferred shares were RMB1,036.3 million, RMB1,120.6 million and RMB1,388.5 million, respectively. Aside from redemption liabilities, our net current liabilities position during the Track Record Period was also the result of (i) outstanding balance of trade and other payables, and (ii) our unfulfilled obligations to provide individual customers with health and medical services during the subscription period, in relation to our health membership schemes and healthcare service packages, which were recognized as contract liabilities. See “Business—Our Services and Solutions—Digital Health and Medical Services—Breakage,” “Financial Information—Discussion of Certain Key Balance Sheet Items—Trade and Other Payables” and “Financial Information—Discussion of Certain Key Statements of Financial Position Items—Contract Liabilities.”

The preferential rights of convertible redeemable preferred shares will terminate upon the [REDACTED] and the relevant redemption liabilities will be re-classified to equity. Therefore, we do not expect to recognize any further changes in carrying amount of the redemption liabilities, subsequent to the [REDACTED]. However, there can be no assurance that we will not have liquidity problems in the future. A net current liabilities

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position or net liabilities positions can expose us to the risk of shortfalls in liquidity. This in turn would require us to seek additional financings from external sources such as equity financing, which could result in dilution of your equity interests, or debt financing, which may not be available on terms favorable or commercially reasonable to us, or at all. Any difficulty or failure to meet our liquidity needs as and when needed may have a material adverse effect on our business, financial condition, results of operations and prospects.

We are subject to credit risk with respect to trade and other receivables and contract assets.

We generally allow a credit period up to one month to our customers. Our trade and other receivables increased from RMB27.8 million as of December 31, 2020 to RMB47.7 million as of December 31, 2021, and further to RMB55.6 million as of December 31, 2022. Our contract assets increased from RMB1.1 million as of December 31, 2020 to RMB2.5 million as of December 31, 2021, and decreased to RMB0.1 million as of December 31, 2022. As of December 31, 2020, 2021 and 2022, our trade and other receivables turnover days were 26.8 days, 23.8 days and 24.1 days, respectively. As of December 31, 2020, 2021 and 2022, all trade receivables past due were impaired. If our customers’ creditworthiness deteriorates, we may incur impairment losses. If our customers fail to settle significant amounts due to us on time, we may incur substantial impairment losses, which would adversely affect our performance, liquidity and profitability. The bankruptcy or deterioration of the credit condition of any of these customers could also materially and adversely affect our business, results of operations and financial condition.

Change in business prospects of acquisitions may result in goodwill impairment, which could negatively affect our results of operations.

In order to expand our operations and business presence, we have undertaken a series of acquisitions in recent years. As a result, the carrying amount of our goodwill remained at RMB2.9 million as of December 31, 2020 and 2021, and increased to RMB8.6 million as of December 31, 2022. While we did not recognize impairment loss for goodwill during the Track Record Period, we cannot assure you that there will be no such charges in the future. In particular, our impairment assessment of goodwill is based on a number of assumptions made by our management. If any of these assumptions does not materialize, or if the performance of our business is not consistent with such assumptions, we may be required to make an additional provision for our goodwill and record impairment losses, which could in turn adversely affect our results of operations. Any significant impairment of goodwill could have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR CORPORATE STRUCTURE AND CONTRACTUAL ARRANGEMENTS

If the PRC government finds that the agreements that establish the structure for operating our businesses in China do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe consequences, including the nullification of the Contractual Arrangements and the relinquishment of our interest in our Consolidated Affiliated Entities.

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Current PRC laws and regulations impose certain restrictions and prohibitions on foreign ownership of companies that engage in the Internet, medical and other related businesses, such as operating online medical institutions and provision of value-added telecommunications services.

We are a company incorporated under the laws of the Cayman Islands and our PRC subsidiaries are considered foreign-invested enterprises. To comply with the PRC laws and regulations, we conduct a substantial portion of business in the PRC through our Consolidated Affiliated Entities based on the Contractual Arrangements. Such Contractual Arrangements enable us to:

- (i) be the exclusive provider of business support, technical and consulting services in exchange for a fee;
- (ii) receive a portion of the economic benefits and bears the relevant risks in relation to the business operation of the Consolidated Affiliated Entities;
- (iii) have an irrevocable and exclusive right to purchase, or to designate one or more persons to purchase, from the Registered Shareholders/Mr. Zhang all or any part of their/his equity interests in the Consolidated Affiliated Entities at any time and from time to time in our absolute discretion to the extent permitted by the PRC laws;
- (iv) have an irrevocable and exclusive right to purchase, or to designate one or more persons to purchase from the Consolidated Affiliated Entities all or any part of its assets at any time and from time to time in our absolute discretion to the extent permitted by the PRC laws;
- (v) appoint us, any directors authorized by us (except the Registered Shareholders/Mr. Zhang) or his/her successors, or a liquidator replacing the director as our exclusive agent and attorney to act on our behalf on all matters concerning the Consolidated Affiliated Entities and to exercise all of the rights as a registered shareholder of the Consolidated Affiliated Entities in accordance with the PRC laws and the articles of Fujian Health Road/Fujian Health MedTech; and
- (vi) pledge as first charge a portion of the equity interests in Fujian Health Road and/or Fujian Health MedTech to us as collateral security for any and all of the guaranteed debt under the Contractual Arrangements and to secure performance of the obligations under the Contractual Arrangements. The Contractual Arrangements allow the results of operations and assets and liabilities of the Consolidated Affiliated Entities to be consolidated into our consolidated financial statements under IFRSs as if they were wholly-owned subsidiaries of our Group (except certain minority interest therein).

See “Contractual Arrangements—Accounting Aspects of the Contractual Arrangements—Consolidation of Financial Results of our Consolidated Affiliated Entities.”

Our PRC Legal Advisor is of the opinion that (i) based on the consultations conducted with the MIIT, the Communications Administration of Fujian province and the Health Commission of Yinchuan, the Contractual Arrangements do not need to be approved by the above-mentioned regulatory authorities, and will not to be terminated by such authorities, and (ii) each agreement of the Contractual Arrangements, are valid, legally binding and enforceable against each party of such agreements in accordance with their terms, except for certain clauses regarding the remedies that may be awarded by the arbitration tribunal and

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the power of courts in Hong Kong and the Cayman Islands to grant interim remedies in support of the arbitration and liquidation arrangement of the Consolidated Affiliated Entities. See “—We conduct our business operations in the PRC through the Consolidated Affiliated Entities and their subsidiaries by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under the PRC laws” in this section. However, there can be no assurance that the PRC government authorities will take a view in the future that is not contrary to or otherwise different from the opinion of our PRC Legal Advisor stated above, and there is also the possibility that the PRC government authorities may adopt new laws and regulations in the future which may invalidate the Contractual Arrangements. If the PRC government determines that we are in violation of the PRC laws or regulations or lack the necessary permits or licenses to operate our business, the relevant PRC regulatory authorities would have broad discretion in dealing with such violations or failures, including, but not limited to:

- revoking our business and operating licenses;
- discontinuing or restricting our operations;
- imposing fines or confiscating any of our income that they deem to have been obtained through illegal operations;
- imposing conditions or requirements with which we or the Consolidated Affiliated Entities may not be able to comply;
- requiring us or the Consolidated Affiliated Entities to restructure the relevant ownership structure or operations; or
- restricting or prohibiting our use of the [REDACTED] from the [REDACTED] or our financing activities to finance the business and operations of our Consolidated Affiliated Entities and their respective subsidiaries.

Any of these actions could cause significant disruption to our business operations, and may materially and adversely affect our business, financial condition and results of operations. In addition, it is unclear what impact the PRC government actions would have on us and on our ability to consolidate the financial results of the Consolidated Affiliated Entities in our consolidated financial statements, if the PRC governmental authorities find our legal structure and contractual arrangements to be in violation of the PRC laws, rules and regulations. If any of these penalties results in our inability to direct the activities of the Consolidated Affiliated Entities that most significantly impact their economic performance and/or our failure to receive the economic benefits from the Consolidated Affiliated Entities, we may not be able to consolidate the Consolidated Affiliated Entities into our consolidated financial statements in accordance with IFRSs.

On February 17, 2023, the CSRC released the Trial Administrative Measures of 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 five supporting guidelines, which came into effect on March 31, 2023. At the press conference held for the Overseas Listing Trial Measures on the same day, officials from the CSRC clarified that, as for companies seeking listing with contractual arrangements, the CSRC will solicit opinions from relevant regulatory authorities and complete the filing of the listing of such

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companies if they duly meet the compliance requirements, and support the development and growth of these companies by enabling them to utilize two markets and two kinds of resources. If we fail to complete the filing with the CSRC in a timely manner or at all, for any future listing, offering or any other capital raising activities, which are subject to the filings under the Overseas Listing Trial Measures, due to our Contractual Arrangements, our ability to raise or utilize funds could be materially and adversely affected, and we may even need to unwind our Contractual Arrangements or restructure our business operations to rectify the failure to complete the filings. However, given that the Overseas Listing Trial Measures were recently promulgated, there remains substantial uncertainties as to their interpretation, application, and enforcement and how they will affect our operations and our future financing.

Our Contractual Arrangements may not be as effective in providing operational control as direct ownership, and the Consolidated Affiliated Entities or their respective registered shareholders may fail to perform their obligations under our Contractual Arrangements.

We rely on a series of contractual arrangements with the Consolidated Affiliated Entities and/or their respective registered shareholders to control and operate their business. These contractual arrangements are intended to provide us with effective control over our Consolidated Affiliated Entities and allow us to obtain economic benefits from them. See “Contractual Arrangements.”

These Contractual Arrangements may not be as effective in providing control over the Consolidated Affiliated Entities as direct ownership. If the Consolidated Affiliated Entities, or their respective shareholders, fail to perform their respective obligations under the Contractual Arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. All of the Contractual Arrangements are governed by and interpreted in accordance with the PRC laws, and disputes arising from the Contractual Arrangements will be resolved through arbitration or litigation in the PRC. There are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under the PRC laws. There remains significant uncertainties regarding the outcome of arbitration or litigation. Such uncertainties could limit our ability to enforce these contractual arrangements. In the event we are unable to enforce the Contractual Arrangements or we experience significant delays or other obstacles in the process of enforcing the Contractual Arrangements, we may not be able to exert effective control over the Consolidated Affiliated Entities and may lose control over the assets owned by the Consolidated Affiliated Entities. As a result, we may be unable to consolidate the Consolidated Affiliated Entities in our consolidated financial statements, and our ability to conduct our business may be adversely affected.

Any failure by our Consolidated Affiliated Entities or their respective shareholders to perform their obligations under our Contractual Arrangements with them would have a material and adverse effect on our business.

If our Consolidated Affiliated Entities or their respective shareholders fail to perform their respective obligations under the Contractual Arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may

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also have to rely on legal remedies under the PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective. For example, if the shareholders of our Consolidated Affiliated Entities were to refuse to transfer their equity interest in the Consolidated Affiliated Entities to us or our designee when we exercise the purchase option pursuant to these Contractual Arrangements, or if they were otherwise to act in bad faith toward us, we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our Contractual Arrangements are governed by the PRC laws and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these contracts would be interpreted in accordance with the PRC laws and any disputes would be resolved in accordance with the PRC legal procedures. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a consolidated affiliated entity should be interpreted or enforced under the PRC laws, and as a result it may be difficult to predict how an arbitration panel would view such contractual arrangements. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Additionally, under the PRC laws, rulings by arbitrators are final, parties cannot appeal the arbitration results in courts, and if the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in the PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay.

Our Consolidated Affiliated Entities hold certain important licenses and permits, including but not limited to the Medical Institution Practicing License and the ICP License, to operate our business. In the event we are unable to enforce our Contractual Arrangements, we may not be able to exert effective control over our Consolidated Affiliated Entities, and our ability to conduct these businesses may be negatively affected, which may have a material and adverse effect on our financial condition and results of operations.

We may lose the ability to use and enjoy assets held by the Consolidated Affiliated Entities that are material to our business operations if the Consolidated Affiliated Entities declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

We do not have priority pledges and liens against the assets of our Consolidated Affiliated Entities. If the Consolidated Affiliated Entities undergo an involuntary liquidation proceeding, third-party creditors may claim rights to some or all of its assets and we may not have priority against such third-party creditors on the assets of our Consolidated Affiliated Entities.

Under the Contractual Arrangements, the Registered Shareholders and Mr. Zhang covenanted that they shall not sell, transfer, pledge or dispose of in any other manner any assets or the legal or beneficial interest in Fujian Health Road and/or Fujian Health MedTech (as the case may be), or allow the encumbrance thereon of any security interest, except for the Equity Pledge Agreements, without the prior written consent of Health Road HealthTech. In addition, the Registered Shareholders and Mr. Zhang covenanted that they

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shall not request Fujian Health Road and/or Fujian Health MedTech (as the case may be) to distribute dividends or profits in any form, propose resolutions in relation to this at a general meeting, or vote to pass such resolutions without the prior written consent of Health Road HealthTech. In the event that the Registered Shareholders and/or Mr. Zhang breach the relevant covenants, we may need to resort to legal proceedings to enforce the terms of the contractual arrangements. Any such legal proceeding may be costly and may divert our management’s time and attention away from the operation of our business, and the outcome of such legal proceeding is uncertain.

The equity holders, directors, and executive officers of the Consolidated Affiliated Entities may have potential conflicts of interest with us.

The PRC laws provide that a director and an executive officer owes a fiduciary duty to the company he or she directs or manages. The directors and executive officers of our Consolidated Affiliated Entities must act in good faith and in the best interests of our Consolidated Affiliated Entities and must not use their respective positions for personal gain. We control our Consolidated Affiliated Entities through contractual arrangements, and the business and operations of our Consolidated Affiliated Entities are closely integrated with the business and operations of our subsidiaries. Nonetheless, conflicts of interests for these persons may arise due to dual roles both as directors and executive officers of our Consolidated Affiliated Entities and as directors or employees of us, and may also arise due to dual roles both as equity holders of our Consolidated Affiliated Entities and as directors or employees of us.

The shareholders of our Consolidated Affiliated Entities may have actual or potential conflicts of interest with us. These shareholders may breach, or cause our Consolidated Affiliated Entities to breach, or refuse to renew, the contractual arrangements we have with them and our Consolidated Affiliated Entities, which would have a material and adverse effect on our ability to effectively control our Consolidated Affiliated Entities and receive economic benefits from them. For example, the shareholders may be able to cause our agreements with our Consolidated Affiliated Entities to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. We cannot assure you that when conflicts of interest arise any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

We may invoke the right under the equity pledge agreements with the shareholders of the Consolidated Affiliated Entities to enforce the equity pledge in the case of any shareholder’s breach of the contractual arrangements. For Mr. Zhang, who is also our Director, we rely on him to abide by the laws of the Cayman Islands, which provide that directors owe a fiduciary duty to the company that requires them to act in good faith and in what they believe to be the best interests of the Company and not to use their position for personal gains. The shareholders of our Consolidated Affiliated Entities have executed Voting Proxy Agreements to appoint Health Road HealthTech or a person designated by Health Road HealthTech to vote on their behalf and exercise voting rights as shareholder(s) of our Consolidated Affiliated Entities. If we cannot resolve any conflict of interest or dispute between us and the shareholders of our Consolidated Affiliated Entities with these

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contractual arrangements, we would have to rely on legal proceedings, which could result in disruption of part of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

We conduct our business operations in the PRC through the Consolidated Affiliated Entities and their subsidiaries by way of the Contractual Arrangements, but certain of the terms of the Contractual Arrangements may not be enforceable under the PRC laws.

All the agreements which constitute the Contractual Arrangements are governed by the PRC laws and provide for the resolution of disputes through arbitration in the PRC. Accordingly, these agreements would be interpreted in accordance with the PRC laws and disputes would be resolved in accordance with the PRC legal procedures. Uncertainties in the PRC legal system could limit our ability to enforce the Contractual Arrangements. In the event that we are unable to enforce the Contractual Arrangements, or if we suffer significant time delays or other obstacles in the process of enforcing them, it would be very difficult to exert effective control over the Consolidated Affiliated Entities, and our ability to conduct our business, financial condition and results of operations may be materially and adversely affected.

The Contractual Arrangements contain provisions to the effect that the arbitral body may award remedies over the equity interests, assets or properties of the Consolidated Affiliated Entities, compulsory relief (e.g., for the conduct of business or to compel the transfer of assets) or order the winding up of the Consolidated Affiliated Entities. These agreements also contain provisions to the effect that courts of competent jurisdictions are empowered to grant interim relief to a party when requested for the purpose of preserving the assets and properties or enforcement measures, subject to the requirements under the PRC laws. However, under the PRC laws, these terms may not be enforceable. Under the PRC laws, an arbitral body does not have the power to grant injunctive relief or to issue a provisional or final liquidation order for the purpose of protecting assets of or equity interests in the Consolidated Affiliated Entities in case of disputes. In addition, interim remedies or enforcement orders granted by overseas courts, such as Hong Kong and the Cayman Islands, may not be recognizable or enforceable in the PRC. Furthermore, the provision provides that in the event of a mandatory liquidation required by the PRC laws, the Consolidated Affiliated Entities shall sell all the assets to the Health Road HealthTech or its designated party at the nominal value or the lowest price to the extent allowed by the PRC laws. Therefore, in the event of breach of any agreements constituting the Contractual Arrangements by the Consolidated Affiliated Entities and/or their respective shareholders, and if we are unable to enforce the Contractual Arrangements, we may not be able to exert effective control over the Consolidated Affiliated Entities, which could materially and adversely affect our ability to conduct our business.

We principally rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material adverse effect on our ability to conduct our business or financial condition.

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We are a holding company, and we principally rely on dividends and other distributions on equity that may be paid by our PRC subsidiaries and remittances from our Consolidated Affiliated Entities, for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our ordinary shares and service any debt we may incur. If our PRC subsidiaries or our Consolidated Affiliated Entities incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us.

Under the PRC laws and regulations, the PRC enterprises may pay dividends only out of their retained earnings as determined in accordance with the PRC accounting standards and regulations. In addition, a PRC enterprise is required to set aside at least 10% of its after-tax profits each year, after making up previous years’ accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. In addition, a PRC enterprise may allocate a portion of its after-tax profits based on the PRC accounting standards to a discretionary surplus fund at its discretion. The statutory reserve funds and the discretionary funds are not distributable as cash dividends. Any limitation on the ability of our Consolidated Affiliated Entities to make remittances to our wholly-owned PRC subsidiaries to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business.

Our Contractual Arrangements may be subject to scrutiny by the PRC tax authorities, and a finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your [REDACTED].

Under the PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We could face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among our PRC subsidiaries and our Consolidated Affiliated Entities do not represent an arms-length price and adjust our Consolidated Affiliated Entities’ income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction, for tax purposes in the PRC, of expense deductions recorded by our Consolidated Affiliated Entities, which could in turn increase their tax liabilities. In addition, the PRC tax authorities may impose late payment fees and other penalties on our Consolidated Affiliated Entities for under-paid taxes. Our results of operations may be materially and adversely affected if our tax liabilities increase or if we are found to be subject to late payment fees or other penalties.

If we exercise the option to acquire equity ownership and assets of our Consolidated Affiliated Entities, the ownership or asset transfer may subject us to certain limitations and substantial costs.

Pursuant to the Contractual Arrangements, Health Road HealthTech or its designated person(s) has the irrevocable, unconditional and exclusive right to purchase all or any part of the equity interests in Fujian Health Road/Fujian Health MedTech from the Registered Shareholders and/or Mr. Zhang (as the case may be) in Health Road HealthTech’s absolute

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discretion to the extent permitted by the PRC laws. The consideration shall be the nominal value or the lowest price permitted under the PRC laws returnable to Health Road HealthTech or its designated person(s) as permitted under the PRC laws and regulations. The equity transfer may be subject to the approvals from, or filings with, the MOFCOM, the MIIT, SAMR and/or their local competent branches. In addition, the equity transfer price may be subject to review and tax adjustment by the relevant tax authorities.

Our current corporate structure and business operations may be affected by the Foreign Investment Law.

On March 15, 2019, the NPC promulgated the Foreign Investment Law or the FIL, which became effective on January 1, 2020 and replaced the outgoing laws regulating foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint Venture Law and the Wholly Foreign-owned Enterprise Law, as well their implementation rules and ancillary regulations, or the Outgoing FIE Laws. See “Regulatory Overview.”

Meanwhile, the Implementation Rules to the PRC Foreign Investment Law came into effect as of January 1, 2020, which clarified and elaborated the relevant provisions of the Foreign Investment Law. However, uncertainties still exist in relation to interpretation and implementation of the FIL, especially in regard to, including, among other things, the nature of consolidated affiliated entity contractual arrangements. While FIL does not define contractual arrangements as a form of foreign investment explicitly, it has a catch-all provision under the definition of “foreign investment” that includes investments made by foreign investors in the PRC through other means as provided by laws, administrative regulations or the State Council, we cannot assure you that future laws and regulations will not stipulate contractual arrangements as a form of foreign investment. Therefore, there can be no assurance that our control over our Consolidated Affiliated Entities through Contractual Arrangements will not be deemed as foreign investment in the future. In the event that any possible implementing regulations of the FIL, any other future laws, administrative regulations or provisions deem contractual arrangements as a way of foreign investment, our Contractual Arrangements may be deemed as invalid and illegal, and we may be required to unwind the Contractual Arrangements and/or dispose of any affected business. Also, if future laws, administrative regulations or provisions mandate further actions to be taken with respect to existing Contractual Arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance, financial condition and business operations.

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RISKS RELATING TO DOING BUSINESS IN CHINA

The permit, filing or other requirements of the CSRC or other PRC government authorities in relation to our [REDACTED] or further capital raise activities may be required under the PRC laws.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》), which emphasized the need to strengthen the administration over illegal securities activities, and the supervision over overseas listings by domestic companies. Stringent measures aimed at establishing a robust regulatory system are expected to be taken to deal with the risks associated with overseas listed companies based in or having significant operations in China, and to tackle any related cybersecurity and data security, cross-border data transmission, and confidential information management, among other matters.

Further, on February 17, 2023, the CSRC released the 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 five ancillary interpretive guidelines, which apply to overseas offerings and listings by domestic companies of equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities, which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, domestic companies that seek to offer or list securities overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC, and in the event of subsequent offering and occurrence of certain major events, domestic companies shall also fulfill relevant filing procedures and report information to the CSRC. If a domestic company fails to complete the filing procedure, omits any material fact, falsifies any content or contains any misleading statement in its filing documents, such domestic company may be subject to administrative penalties, such as order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly liable persons may also be subject to administrative penalties, such as warnings and fines.

On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (關於境內企業境外發行上市備案管理安排的通知), which, among others, clarifies that a six-month transition period will be granted to domestic companies which, prior to the effective date of the Overseas Listing Trial Measures, have already obtained the approval from overseas regulatory authorities or stock exchanges (such as the completion of hearing in the Hong Kong market or the completion of registration in the United States market), but have not completed the indirect overseas listing; if such domestic companies complete the overseas listing within such six-month transition period, they are not subject to the filing procedure with respect to such overseas listing. See “Regulatory Overview—Regulations Relating to M&A and Overseas Listings.” However, since the Overseas Listing Trial Measures was newly promulgated, the interpretation, application and enforcement of the Overseas Listing Trial Measures remain unclear.

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If it is determined that we are subject to any filing or other authorization or requirements of the CSRC or other PRC governmental authorities for this [REDACTED], future capital raising activities or future major events, and we fail to complete such filing or meet such requirements in a timely manner or at all, we could be subject to sanctions by the CSRC or other PRC regulators authorities. If we are determined not in compliance with the requirements under the Overseas Listing Trial Measures, and thus are unable to complete the filing with the CSRC, we may need to postpone or terminate this [REDACTED]. Any uncertainties or negative publicity regarding such filing or other requirements stated above could materially and adversely affect our business, prospects, financial condition, reputation, and [REDACTED] and [REDACTED] of the Shares.

Changes in the PRC’s or global economic, political or social conditions or government policies could have a material and adverse effect on our business and operations.

Substantially all of our operations are located in the PRC. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a significant degree by political, economic and social conditions in the PRC generally and by continued economic growth in the PRC as a whole.

The PRC economy may differ from the economies of other countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the PRC government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets, and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in the PRC is still owned by the government. In addition, the PRC government continues to play a significant role in regulating industry development by imposing industrial policies. The PRC government also exercises significant control over the PRC’s economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

We are subject to the PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by the PRC tax authorities. Although we believe that we were in compliance with the relevant PRC tax laws and regulations in the past, in all material aspects, we cannot assure you that future examinations by the PRC tax authorities would not result in fines, other penalties or actions that could adversely affect our business, financial condition and results of operations, as well as our reputation. In addition, the PRC Government may from time to time adjust or change the tax laws and regulations. Such adjustments or changes, together with any uncertainty resulting therefrom, could have an adverse effect on our business, financial condition and results of operations.

Uncertainties in the interpretation and enforcement of the PRC laws and regulations.

Our PRC subsidiaries and Consolidated Affiliated Entities are subject to various PRC laws and regulations that are generally applicable to companies in the PRC. Over the past

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four decades, the PRC legislation has provided greater protection to various forms of foreign or private-sector investment in the PRC. However, the PRC legal system continues to evolve, and the enforcement of these laws, regulations and rules may involve uncertainties.

In particular, the PRC laws and regulations on the digital health and wellness industry are continuously developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations and avoid conducting any noncompliance activities, the PRC Government may promulgate new laws and regulations regulating our industry in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations on our industry. Moreover, developments in the digital health and wellness industry may lead to changes in the PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies, which could materially and adversely affect our business operations and financial condition.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are an exempted company incorporated in the Cayman Islands and substantially all of our current operations are conducted in the PRC as well. In addition, a majority of our current Directors and officers are nationals and residents of the PRC. As a result, it may be difficult or impossible for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the applicable securities laws or otherwise. In addition, as there are no clear statutory and judicial interpretations or guidance on a PRC court’s jurisdiction over cases brought under foreign securities laws, it may be difficult for you to bring an original action against us or our PRC resident officers and directors in a PRC court based on the liability provisions of non-PRC securities laws. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render you unable to enforce a judgment against our assets or the assets of our Directors and officers.

It may be difficult to effect service of process upon us, our Directors or officers named in this document who reside in the PRC or to enforce foreign court judgments against them in the PRC.

Most of our assets are situated in the PRC and most of our Directors and officers named in this document reside in, and most of their respective assets are located in, the PRC. As a result, it may be difficult to effect service of process outside the PRC upon most of our Directors and officers, including with respect to matters arising under applicable securities laws. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States, the United Kingdom and many other countries. Consequently, it may be difficult for you to enforce against us, our Directors or officers in the PRC any judgments obtained from courts outside of the PRC.

In 2006, Hong Kong and the PRC entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice

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of Court Agreements Between Parties Concerned, or the Arrangement, pursuant to which a party with a final court judgment rendered by a Hong Kong court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in the PRC. Similarly, a party with a final judgment rendered by a PRC court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in Hong Kong. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a PRC court is expressly designated as the court having sole jurisdiction for the dispute. Therefore, it is not possible to enforce a judgment rendered by a Hong Kong court in the PRC if the parties in dispute have not agreed to enter into a choice of court agreement in writing. Although the Arrangement became effective on August 1, 2008, the outcome and effectiveness of any action brought under the Arrangement may still be uncertain.

We are subject to consumer protection laws that could require us to modify our current business practices and incur increased costs.

We are subject to numerous PRC laws and regulations that regulate service and product providers generally or govern online service and product providers specifically, such as the Consumer Protection Law. If these regulations were to change or if we, suppliers or third-party merchants on our marketplace were to violate them, the costs of certain products or services could increase, or we could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the products or services offered on our platform and hurt our business and results of operations. For example, the amended Consumer Protection Law, which became effective in March 2014, further strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators, especially on businesses that operate on the Internet. Pursuant to the Consumer Protection Law, except for certain types of products (such as drugs), consumers are generally entitled to return goods purchased within seven days upon receipt without giving any reasons if they purchased the goods over the Internet. Consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online marketplace platforms may claim damages from merchants or service providers. Where the operators of an online marketplace platform are unable to provide the real names, addresses and valid contact details of the merchants or service providers, the consumers may also claim damages from the operators of the online marketplace platforms. Operators of online marketplace platforms that know or should have known that merchants or service providers use their platforms to infringe upon the legitimate rights and interests of consumers but fail to take necessary measures must bear joint and several liabilities with the merchants or service providers. Moreover, if business operators deceive consumers or knowingly sell substandard or defective products, they should not only compensate consumers for their losses, but also pay additional damages equal to three times the price of the goods or services. Legal requirements are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

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We may be required to register our operating offices outside of our residence addresses as branch offices under the PRC laws.

Under the PRC laws, a company setting up premises for business operations outside its residence address must register them as branch offices with the relevant local market regulation bureau at the place where the premises are located and obtain business licenses for them as branch offices. We may not be able to register branch offices in a timely manner due to complex procedural requirements and relocation of branch offices from time to time. As of the Latest Practicable Date, we were able to register branch offices in all of the locations where we had an actual business presence. If the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, confiscation of income and suspension of operation. If we become subject to these penalties, our business, results of operations, financial condition and prospects could be materially and adversely affected.

Fluctuations in exchange rates could have a material and adverse effect on our results of operations and the value of your [REDACTED].

The conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, is based on rates set by the PBOC. It is difficult to predict how market forces or government policies may impact the exchange rate between Renminbi and the Hong Kong dollars, the U.S. dollars or other currencies in the future. The value of Renminbi against the Hong Kong dollars, U.S. dollars and other currencies is affected by changes in the PRC’s political and economic conditions and by the PRC’s foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against Hong Kong dollars and the U.S. dollars in the future.

Any significant appreciation or depreciation of Renminbi may materially and adversely affect our revenue, earnings and financial position, and the value of, and any dividends payable on, our Shares. For example, to the extent that we need to convert Hong Kong dollars and U.S. dollars we receive into Renminbi to pay our operating expenses, appreciation of Renminbi against the Hong Kong dollars and the U.S. dollars would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, a significant depreciation of Renminbi against the Hong Kong dollars and the U.S. dollars may significantly reduce the Hong Kong dollars or the U.S. dollars equivalent of our earnings, which in turn could adversely affect the price of our Shares.

Very limited hedging options are available in the PRC to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by the PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency. As a result, fluctuations in exchange rates may have a material adverse effect on your [REDACTED].

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The PRC regulations establish complex procedures for some acquisitions of the PRC companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in the PRC.

The PRC regulations and rules concerning mergers and acquisitions including the Rules on Merger and Acquisition of Domestic Enterprises by Foreign Investors, or the M&A Rules, established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have an impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds famous trademarks or the PRC time-honored brands. Moreover, the Anti-Monopoly Law requires that the antitrust governmental authority shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise “national defense and security” concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise “national security” concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM, its regional and local affiliates or other relevant government agencies may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises “national defense and security” or “national security” concerns. However, the MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would, as such, be materially and adversely affected.

We may be subject to penalties, including restrictions on our ability to inject capital into our PRC subsidiaries and our PRC subsidiaries’ ability to distribute profits to us, if our resident shareholders or beneficial owners in the PRC fail to comply with relevant PRC foreign exchange regulations.

The SAFE has promulgated several regulations that require the PRC residents and the PRC corporate entities to register with and obtain approval from local branches of the SAFE in connection with their direct or indirect offshore investment activities. The Circular on Issues Concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Companies (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知), or SAFE Circular 37, was promulgated by the SAFE in July 2014 and the Circular on Further Simplifying and Improving the Direct Investment-related Foreign

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Exchange Administration Policies (關於進一步簡化和改進直接投資外匯管理政策的通知), or SAFE Circular 13, issued on February 13, 2015, that require the PRC residents or entities to register with the local banks in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. These regulations apply to our shareholders who are PRC residents and may apply to any offshore acquisitions that we make in the future.

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE affiliates or local banks, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

However, we may not at all times be fully aware or informed of the identities of all our shareholders or beneficial owners that are required to make such registrations, and we cannot compel our beneficial owners to comply with SAFE registration requirements in a timely manner. We cannot assure you that all of our shareholders or beneficial owners who are PRC residents have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations.

Historically, certain shareholders who are known to us as the PRC residents did not complete their registration pursuant to SAFE Circular 37 in time. As advised by our PRC Legal Advisor, our shareholders Mr. Zhang, Mr. Chen Yong, the Star Flourish Ventures Shareholders, the Jyun Jing Shareholders, Mr. Zhang Wande, Ms. Chen Qin, Mr. Liang Jinhua, Ms. Zheng Shuxian and Mr. Hu Depan, who are known to us as PRC residents, had completed the registration pursuant to SAFE Circular 37, as of the Latest Practicable Date.

Our business benefits from certain financial incentives and discretionary policies granted by local governments.

In the past, local governments in the PRC granted certain financial incentives from time to time to our PRC subsidiaries or Consolidated Affiliated Entities as part of their efforts to encourage the development of local businesses. The timing, amount and criteria of government financial incentives are determined within the sole discretion of the government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We generally do not have the ability to influence local governments in making these decisions. Local governments may decide to reduce or eliminate incentives at any time. We cannot assure you of the continued availability of the government incentives currently enjoyed by our PRC subsidiaries or Consolidated Affiliated Entities. Any reduction or elimination of incentives would have an adverse effect on our results of operations.

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We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences to us and our shareholders and have a material adverse effect on our results of operations and the value of your [REDACTED].

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a resident enterprise and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the State Administration of Taxation, or SAT, issued a circular, known as Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in the PRC. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those not controlled by PRC enterprises or PRC enterprise groups like us, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in the PRC and will be subject to the PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” As substantially all of our management members are based in the PRC, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that our Company or any of our subsidiaries outside of the PRC is a PRC resident enterprise for the PRC enterprise income tax purposes, then our Company or such subsidiary could be subject to the PRC tax at a rate of 25% on its world-wide income, which could materially reduce our net income. In addition, we will also be subject to the PRC enterprise income tax reporting obligations. Furthermore, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, dividends paid by us and gains realized on the sale or other disposition of our ordinary shares may be subject to the PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such dividends or gains are deemed to come from the PRC sources. Any such tax on the dividends received by our shareholders from us may be withheld at source. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your [REDACTED] in our Shares.

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

The SAT issued the Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《國家稅務總局關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “**SAT Circular 7**”) on February 3, 2015, which came into effect on the same day. The SAT Circular 7 extends its tax jurisdiction to capture not only indirect transfer but also transactions involving transfer of immovable property in China and assets held under the establishment and place, in China of a foreign company through the offshore transfer of a foreign intermediate holding company. The SAT Circular 7 also provides criteria on how to assess reasonable commercial purposes and introduces safe harbor scenarios applicable to internal group restructuring. Where a non-resident enterprise indirectly transfers equity interests or other assets of a PRC resident enterprise by implementing arrangements that are not for reasonable commercial purposes to avoid its obligation to pay enterprise income tax, such an indirect transfer shall, in accordance with the EIT Law, be recognized by the competent PRC tax authorities as a direct transfer of equity interests or other assets of the PRC resident enterprise.

On October 17, 2017, the SAT promulgated the Announcement on Matters concerning Withholding and Payment of Income Tax of Non-resident Enterprises from Source (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (the “**SAT Circular 37**”), which came into force and replaced certain provisions in the SAT Circular 7 on December 1, 2017 and was partly amended on June 15, 2018. The SAT Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises. Pursuant to the SAT Circular 37, where the party responsible for withholding such income tax fails to, or is unable to, withhold the taxes that should have been withheld to the relevant tax authority, the party may be subject to penalties. Where the non-resident enterprise receiving such income fails to declare and pay taxes that should have been withheld to the relevant tax authority, the party may be ordered to rectify within a specific time limit.

We face uncertainties on the reporting and consequences on future private equity financing transactions, share exchange or other transactions involving the transfer of shares in our Company by investors that are non-PRC resident enterprises, or sale or purchase of shares in other non-PRC resident companies or other taxable assets by us. Our Company and other non-resident enterprises of ours may be subject to filing obligations or being taxed if our Company and other non-resident enterprises of ours are transferors in such transactions, and may be subject to withholding obligations if our Company and other non-resident enterprises of ours are transferees in such transactions. For the transfer of shares in our Company by investors that are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our Company and other non-resident enterprises of ours should not be taxed under these rules and notices. There is no assurance that the tax authorities will not apply the rules and notices to our offshore restructuring transactions where non-PRC residents were involved if any of such transactions were determined by the tax authorities to lack

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reasonable commercial purpose. As a result, we and our non-PRC resident investors may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices.

Discontinuation of preferential tax treatments we currently enjoy or other unfavorable changes in tax law could result in additional compliance obligations and costs.

Operating in the high-technology industry, a number of our PRC subsidiaries and Consolidated Affiliated Entities enjoy various types of preferential tax treatment according to the prevailing PRC tax laws. Our PRC subsidiaries and Consolidated Affiliated Entities may, if they meet the relevant requirements, qualify for certain preferential tax treatment. For a qualified high and new technology enterprise, the applicable enterprise income tax rate is 15%. The high and new technology enterprise qualification is re-assessed by the relevant authorities every three years. See “Financial Information—Consolidated Statements of Profit or Loss—Income Tax.” If such PRC subsidiaries or Consolidated Affiliated Entities fail to maintain their respective qualification under the relevant PRC laws and regulations, their applicable enterprise income tax rates may increase to up to 25%, which could have a material adverse effect on our results of operations.

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The PRC Government’s control of foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our net revenue in Renminbi. Under our current corporate structure, our Company in the Cayman Islands relies on dividend payments indirectly from our PRC subsidiaries to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE by complying with certain procedures under the PRC foreign exchange regulation. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for the Shares and the [REDACTED] and [REDACTED] of our Shares may be volatile.

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

The [REDACTED] of the Shares may be volatile which could result in substantial losses to you.

The [REDACTED] of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the PRC, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in the PRC that have listed their securities in Hong Kong may affect the volatility in the [REDACTED] of and [REDACTED] volumes for our Shares. A number of PRC-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of the securities of these companies, at the time of or after their offerings, may affect the overall investor sentiment towards PRC-based companies listed in Hong Kong and consequently may impact the [REDACTED] of our Shares. These broad market and industry factors may significantly affect the market price and volatility of our Shares, regardless of our actual operating performance.

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The actual or perceived sale or availability for sale of substantial amounts of our Shares, especially by our Directors, executive officers and Controlling Shareholders, could adversely affect the [REDACTED] of our Shares.

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

The Shares held by our Controlling Shareholders are subject to certain [REDACTED] periods beginning on the date on which [REDACTED] in our Shares commences on the [REDACTED]. See “[REDACTED]” for more information. While we currently are not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the [REDACTED] periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares or other equity securities in the future.

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

We cannot assure you that we will declare and distribute any amount of dividends in the future and you may have to rely on price appreciation of our Shares for return on your [REDACTED].

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income.

Our Board has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may only pay dividends either out of profits or share premium account, and provided always 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. In addition, our shareholders may, by ordinary resolution, declare a dividend, but no dividend may exceed the amount recommended by our board of directors. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in [REDACTED] or even maintain the [REDACTED] at which you

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[REDACTED] our Shares. You may not realize a return on your [REDACTED] in our Shares and you may even lose your entire [REDACTED] in our Shares.

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than in other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Islands Companies Act and the common law of the Cayman Islands. The rights of Shareholders to take legal action against our Directors and us, actions by minority Shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are, to a large extent, governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedents in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those established under statutes and judicial precedents in existence in the jurisdictions where minority Shareholders may be located. See “Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law.” As a result of all of the above, minority Shareholders may enjoy different remedies when compared to the laws of the jurisdiction such shareholders are located in.

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

This document, particularly the section headed “Industry Overview” contains information and statistics relating to the digital health and wellness market. Such information and statistics have been derived from third-party reports, either commissioned by us or publicly accessible, and other publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other party involved in the [REDACTED], and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and you should not rely on such information.