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An [REDACTED] in our Shares involves significant risks. You should carefully consider all of the information 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 materially and adversely affect our business, prospects, results of operations and financial condition. The [REDACTED] of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your [REDACTED]. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

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

If we fail to improve and enhance the functions, performance, reliability, design, security, and scalability of our SaaS products to suit our customers’ evolving needs, we may lose our customers.

Our SaaS products and the market acceptance of our SaaS products are essential to our business success. Our ability to continue to attract and retain customers and increase sales depends largely on our ability to continue improving and enhancing the functions, performance, reliability, design, security, and scalability of our products. For further information on our products, see “Business—Our Offerings.”

The e-commerce industry changes quickly and constantly, so does the merchants’ demand and preferences in effectively operating their business. If we are not able to identify and address customers’ demand properly and timely, we may not be able to improve and enhance our products to suit their needs. In addition, our initiatives to develop new products or enhance our existing products may not be successful, which may result in significant sunk costs and limit our future growth. While we have invested significant efforts in product development to date, such investments may not yield the expected results for various reasons, some of which are not within our control. We also may not have sufficient resources to invest at the same magnitude going forward and thus may not be able to maintain or replicate the success of our SaaS products.

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To the extent we are unable to improve and enhance the functions, performance, reliability, design, and security of our SaaS products in a manner that timely responds to our customers’ evolving needs, we may lose our customers and/or fail to acquire new customers. As a result, our business, financial condition, results of operations, and prospects may be materially and adversely affected.

If we fail to continue innovating and keep pace with technological developments and market dynamics in the industry that we operate in, our business may be materially and adversely affected.

The industry in which we operate is characterized by dynamic industry trends, fast changing technologies, and rapid development and continued enhancement of SaaS products. To remain competitive, we must continue to stay abreast of the continuously evolving industry trends and rapid technological developments.

Emergence of new e-commerce platforms, new e-commerce business models or new marketing channels may induce different operational demand by merchants. General market conditions and consumer behaviors may also affect our business. For example, changes in popularity of product categories in the e-commerce sector may change the way merchants need to operate their business because different product categories may require distinct operational skills due to the different requirements in warehousing, customer support, or other operational resources. Failure to capture the industry trends such as the foregoing could render our SaaS products less attractive to customers and limit our business growth. If we are not able to keep pace with the market dynamics in e-commerce or e-commerce SaaS markets, our business may be materially and adversely affected.

We have invested and intend to continue investing significant resources in cutting-edge technologies, including distributed and parallel computing, real-time computing, cloud-native database and multi-level cache, to enhance our products in different business scenarios. Nevertheless, we may not be able to leverage new technologies effectively or adapt our products to meet customers’ needs or emerging industry standards. If we are unable to adapt in a cost-effective and timely manner in response to changing market conditions, whether for technical, legal, financial or other reasons, our business may be materially and adversely affected. Our success will also depend partially on our ability to continuously identify, develop, acquire, protect or license advanced and new technologies that are valuable to our products and solutions. Failure to do so could render our existing products and solutions obsolete and unappealing, thereby adversely affecting our business prospects.

In addition, we will need to continuously modify and enhance our products in order to maintain the compatibility of our products. We may not be successful in either developing these modifications and enhancements or in bringing them to the market in a timely manner. Moreover, uncertainties regarding the timing and nature of the development in network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Any failure of our products to operate effectively with future network platforms and technologies could reduce the demand for our products and solutions, result in customer dissatisfaction, and adversely affect our business, financial condition, results of operations and prospects.

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We invest heavily in our research and development, and such investment may negatively impact our profitability in the short term and may not generate the results we expect to achieve.

We have committed significant resources to research and development of our SaaS products, which are tailored to meet the unique needs of participants in the e-commerce industry. In 2020, 2021 and 2022, we recorded research and development expenses of RMB66.9 million, RMB191.8 million and RMB234.3 million, respectively. While we believe that this investment is essential to maintain our competitive edge and continue to develop innovative products and solutions, it may negatively impact our profitability in the short term. Our research and development efforts may require substantial upfront costs without generating corresponding revenue, which could lead to a decrease in our profitability or even losses in the short term.

Additionally, there is no guarantee that our research and development efforts will be fruitful. We may spend significant resources on research and development activities that may not result in successful or marketable products or enhancements thereof, or that may require significant additional investment to become commercially viable. Such outcomes could have a negative impact on our financial performance and may limit our ability to compete effectively in the industry in which we operate.

Therefore, our investment in research and development may not generate the results we expect to achieve, and our profitability may be negatively impacted in the short term. Any failure to generate a sufficient return on our investment in research and development may adversely affect our ability to attract investors and maintain our market position.

If we fail to maintain and grow our customer base, keep our customers engaged through our products and solutions, and expand our business, our business growth may not be sustainable.

To achieve the sustainable growth of our business, we must continuously attract new customers, retain existing customers and increase their spending on our products and solutions. This requires a thorough understanding of our customers’ evolving needs in their changing businesses, timely launching new products and improving our existing products to keep our customers engaged. If we fail to correctly and promptly identify our customers’ demands or continuously provide them with products and solutions that add value to their businesses, our customers may be reluctant to increase their spending on our products and solutions, and as a result, the growth of our business may be stalled.

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In addition, our future success largely depends on our ability to develop and expand our SaaS business. During the Track Record Period, revenue generated from our SaaS products increased by 51.4% from RMB263.0 million in 2020 to RMB398.3 million in 2021, and further by 25.0% to RMB497.9 million in 2022. We cannot assure you that we will achieve similar growth rates for our SaaS business in the future. Despite our efforts in researching and developing technology-driven SaaS products, we cannot assure you that our existing and future SaaS products will sustain the current level of popularity. Customers may not choose or continue to use our SaaS products if our SaaS products become outdated or if our competitors offer superior and customer-friendly products and solutions. As a result, our SaaS business may not grow at a rate we anticipate or at all, which may, in turn, materially and adversely affect our business, results of operations, financial condition and prospects.

We operate in a competitive market and may not be able to compete successfully against our existing and future competitors.

We face competition in various aspects of our business, including research and development capabilities, customer services and retention, talents, brand awareness, commercial relationships and financial, technical, marketing and other resources. Our competitors may be able to develop products better received by participants in the e-commerce industry or may be able to respond more quickly and effectively to new opportunities and changing technologies, regulations, and customers’ needs. In addition, our existing and future competitors may quickly expand their customer base and sales network by enlarging their sales and support team. This could cause us to lose potential sales, which may have a material adverse impact on our results of operation and financial condition. If we are unable to compete successfully against our current or potential competitors, our business, financial condition, and results of operations may be materially and adversely impacted.

We have recorded net losses and operating cash outflow during the Track Record Period, and we may not be able to achieve or subsequently maintain profitability.

In 2020, 2021 and 2022, we recorded net losses of RMB364.3 million, RMB254.3 million and RMB507.1 million, respectively. In addition, we have recorded net cash used in operating activities of RMB23.8 million in 2021. If we cannot obtain sufficient capital to meet our capital needs, we may not be able to execute our growth strategies, and our business, financial condition and prospects may be materially and adversely affected. Accordingly, we may not be able to achieve or subsequently maintain profitability in the future. We also expect our costs and expenses to significantly increase in future periods as we continue to expand our business and operations. In addition, we expect to incur substantial costs and expenses as a result of being a [REDACTED] company. If we are unable to generate adequate revenues and manage our costs and expenses, we may continue to incur significant losses in the future and our net losses may increase compared to prior years, and we may not be able to achieve or subsequently maintain profitability.

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We recorded net current liabilities and deficits in equity during the Track Record Period.

As of December 31, 2020, 2021 and 2022, we recorded deficits in equity of RMB797.5 million, RMB1,032.5 million and RMB1,513.1 million, primarily due to the recognition of financial liabilities to investors, representing the paid-in capital with preferred rights held by certain investors, which will be terminated upon the [REDACTED]. As of December 31, 2022, we recorded net current liabilities of RMB227.0 million, primarily due to the increase in contract liabilities, driven by the growth of our business scale.

We cannot assure you that we will not record net current liabilities or deficits in equity in the future. A net current liabilities or deficits in equity position would expose us to liquidity risk. If we cannot obtain necessary funds to finance our operations, we may default on our payment liabilities, and our business, liquidity, financial condition, results of operations and prospects could be materially and adversely affected.

Our historical growth rates may not be indicative of our future growth, and, if we are unable to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

We experienced rapid growth in our revenue during the Track Record Period. Our revenue increased from RMB293.9 million in 2020 to RMB433.4 million in 2021, and further to RMB523.1 million in 2022, representing a CAGR of 33.4%. In 2020, 2021 and 2022, we served 22.6 thousand, 33.1 thousand and 45.7 thousand SaaS customers with growing demands in our products.

While our business has grown in the past, we cannot assure you that we are able to sustain our historical growth rate for various reasons, including uncertainty of our continuous launch of new products and solutions and intensified competition in our industry. Our revenue, expenses and operating results may vary from period to period due to factors beyond our control. As a result of these, and other factors, we cannot assure you that our future revenues will increase or that we will achieve and/or subsequently maintain profitability. Accordingly, [REDACTED] should not rely on our historical results as an indication of our future financial or operating performance.

In addition, our anticipated expansion and investment in new products and solutions may 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 effectively manage our growth or implement all such systems, procedures and control measures successfully. If we are not able to manage our growth or execute our strategies effectively, our business and prospects may be materially and adversely affected.

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Any unfavorable developments in China’s internet and e-commerce industry, or changes in dynamics of the industry, may adversely affect the demand of our products.

Since our SaaS products are offered to participants in the e-commerce industry, our operational and financial performances are subject to upturns and downturns of the internet and e-commerce industry in China. The internet and e-commerce market in China may be adversely affected by various factors including the macro-economy in China, consumers’ disposable income, seasonality and public policies. Many of these factors are beyond our control. A downturn or any adverse developments in the internet and e-commerce market in China may decrease the demand for our SaaS products and diminish our ability to generate profits. Some changes in dynamics of the internet and e-commerce industry may also affect our business adversely, if our offerings do not match customers’ shifting needs or if our business model does not tone with such changed dynamics.

If we fail to maintain our relationships with e-commerce platforms or adapt ourselves to emerging e-commerce platforms, or if e-commerce platforms otherwise curtail or inhibit our ability to integrate or operate our products with their platforms, our business and prospects may be materially and adversely affected.

Our success is closely tied to our ability to maintain strong relationships with e-commerce platforms, which are the channels through which our customers (i.e., e-commerce merchants) operate, and the integration of our products with them is key to our success. We must continually adapt our products to the evolving e-commerce industry, and we must respond quickly to emerging e-commerce platforms in order to stay competitive. Our business operations and financial positions may also be adversely affected by unfavorable commercial arrangements with the e-commerce platforms from time to time. Moreover, if the e-commerce platforms that we cooperate with encounter any technical defects, error or other incidents that disrupt the integration or operation of our products on their platform, our customers may experience interruptions in using our products and have negative perceptions to our products, and our business and reputation will be harmed as a result. Additionally, e-commerce platforms are constantly evolving, and we may face challenges in keeping pace with the changing landscape of the e-commerce industry. If we are unable to keep up with these changes, our products may become less attractive to e-commerce platforms, which could have a material adverse effect on our business and prospects.

Therefore, any failure to maintain our relationships with e-commerce platforms or adapt ourselves to emerging e-commerce platforms, or any curtailment or inhibition of our ability to integrate our SaaS products and related services with e-commerce platforms, could have a material adverse effect on our business and prospects. We may need to invest significant resources to adapt to these changes or develop workarounds, which could negatively impact our financial performance.

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If our security measures are breached or unauthorized access to customer data is otherwise obtained, our products may be perceived as not being secure, customers may reduce the use of or stop using our products, and we may incur significant liabilities.

Unauthorized access or use of customer data could expose us to regulatory actions, litigation, investigations, remediation obligations, damage to our reputation and brand, supplemental disclosure obligations, loss of customer confidence in the security of our products, destruction of information, indemnity obligations, and resulting fees, costs, expenses, loss of revenues, and other potential liabilities. We devote significant financial and personnel resources to implementing and maintaining security measures. If these measures are compromised as a result of third-party action, including intentional misconduct by computer hackers, employee error, malfeasance, or otherwise, and someone obtains unauthorized access to or use of our customers’ data, our reputation could be damaged, our business may suffer, and we could incur significant liabilities as well as incur significant costs to remediate any incidents.

Cybersecurity challenges, including threats to our own IT infrastructure or those of our customers or third-party providers, are often targeted at companies such as ours and may take a variety of forms ranging from individual and groups of hackers to sophisticated organizations, including state-sponsored actors. Key cybersecurity risks range from viruses, worms, and other malicious software programs to “mega breaches”, any of which can result in unauthorized disclosure of confidential information and intellectual property and compromised data. As the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, if a high-profile security breach occurs with respect to an industry peer, our customers and potential customers may generally lose trust in the security of e-commerce SaaS products, or in cloud applications for enterprises in general. Any or all of these issues could negatively affect our ability to attract new customers, cause existing customers to elect to terminate or not renew their subscriptions, result in reputational damage, require us to compensate our customers for certain losses, or result in lawsuits, regulatory fines, or other action or liabilities, which could materially and adversely affect our business, financial condition and results of operations. See “Regulation—Regulations on Internet Information Security and Privacy Protection.”

Our brands are integral to our success. If we fail to effectively maintain, promote and enhance our brands, our business and competitive advantage may be harmed.

We believe that maintaining, promoting and enhancing our Jushuitan brands is critical to our business. Maintaining and enhancing our brands depends largely on our ability to continue to provide high-quality, well-designed, useful, reliable, and innovative products and solutions, which we may not be able to achieve at all times.

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Errors, defects, disruptions or other performance issues with our infrastructure may harm our reputation and brands, and we may introduce new solutions or terms of service which may not be well received by our customers. Additionally, if our customers have a negative experience using our solutions or service, such an encounter may affect our brands and reputation within the industry.

If we are unable to maintain high quality of customer services consistently, our brand reputation, business, prospects, results of operations and financial condition may be materially and adversely impacted.

We believe our focus on customer service and support is critical to onboarding new customers, retaining our existing customers and growing our business. Therefore, we have invested heavily in improving the quality of customer service and support, such as in training of our support team. If we are unable to maintain high quality of customer service consistently, we may lose our existing customers.

In addition, our ability to attract new customers is highly dependent on our reputation and on referrals from our existing customers. Failure to maintain customer services with high quality consistently, or any market perception to the same effect, could adversely affect our reputation and the number of customer referrals that we receive.

We may not be able to conduct our sales and marketing activities cost-effectively, and our promotion activities may not result in the level of sales we anticipate to achieve.

In 2020, 2021 and 2022, we recorded selling and marketing expenses of RMB158.8 million, RMB235.4 million and RMB314.3 million, respectively. If we fail to conduct our sales and marketing activities cost-effectively, we may incur considerable marketing expenses, which could adversely affect our business and operating results. Additionally, our brand promotion and marketing activities may not be well received by customers and may not result in the levels of sales that we anticipate. Meanwhile, we are compelled to enhance our marketing approaches and experiment with new marketing methods to keep pace with industry developments and customer preferences. Due to the technical nature of SaaS products, we mainly rely on our direct sales and regional sales agents to conduct marketing activities and drive sales of our SaaS products and related services. Failure to 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.

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Our operations and plans for business development overseas are subject to various risks in the relevant regions or foreign countries, the failure to handle which may adversely affect our business, results of operations and financial condition.

We have plans to expand our business into various regions and countries overseas, which exposes us to various risks and challenges. These risks include, but are not limited to, uncertain political environment, changes in laws and regulations, economic downturns, and cultural differences. Any failure to handle these risks effectively could result in disruptions to the execution of our business plans and operations, increase in costs, and damage to our reputation. In addition, our plans for business development overseas may require significant investments in marketing, research and development, and human resources, which may not yield the expected return on investment. The timing of our expansion plans may also be affected by factors beyond our control, such as changes in economic conditions, political environment, or delays in obtaining necessary licenses and permits. Furthermore, we may be subject to additional regulatory requirements in foreign countries, which may increase our compliance costs and subject us to legal and regulatory risks. These requirements may also limit our ability to operate in certain regions or countries, which could negatively impact our growth prospects. In light of these risks, we may need to allocate significant resources to manage and mitigate these risks, which could increase our expenses and negatively impact our financial performance. If we are unable to manage these risks effectively, our business, results of operations, and financial condition may be materially and adversely affected.

Our results of operations are subject to substantial seasonal fluctuations due to a number of factors that could adversely affect our business.

Our SaaS products and solutions are used by participants in the e-commerce industry, which is subject to seasonal trends and fluctuations. Our results of operations may be affected by various seasonal factors, including, but not limited to, the e-commerce shopping festivals and holidays. For example, during shopping festivals or public holidays, such as the Double 11 Festival, our customers typically experience a significant increase in sales volume, which may increase their demand for and usages of our products. We may experience peak level of revenue increases during or after such periods. As a result, our results of operations may not be comparable from quarter to quarter and have been and may continue to be subject to seasonality. Moreover, if we are unable to meet this increased demand, our revenue and financial performance may be negatively impacted.

Interruptions, performance issues or security issues associated with our technology infrastructure could materially and adversely affect our business, financial condition, results of operations, and prospects.

Our SaaS products and related services rely on technology infrastructure and systems, including software, hardware, and network equipment. Any interruption, degradation, or failure of these systems or infrastructure could cause our platform to experience performance issues or become unavailable to our customers, which could lead to lost revenue, increased expenses, and damage to our reputation. In addition, our products are vulnerable to security breaches,

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cyberattacks, and other malicious activities that could result in the loss, theft, or unauthorized use of customer data or other sensitive information. Any such breach or attack could result in legal and regulatory liabilities, financial losses, and damage to our reputation. The user experiences of our SaaS products may be significantly and adversely impacted as a result. Our business depends on the performance and reliability of the internet infrastructure in China, on which we do not have control. We may not have access to alternative networks in the event of disruptions, failures or other problems with China’s internet infrastructure.

Our SaaS products are subject to third-party dependencies. In particular, we rely on IaaS cloud services provided by third parties, on which our SaaS products and related services are substantially dependent.

Our SaaS products and related services are subject to third-party dependencies, such as cloud service providers and telecommunications companies. In particular, we do not own or operate any on-premise server and depend on third-party suppliers’ IaaS cloud services in providing our SaaS products. Any disruption or failure of these third-party services could impact the availability, reliability, or performance of our platform, which could negatively impact our business and financial performance. If we are unable to prevent or mitigate the risks associated with interruptions, performance issues, or security issues, our business, financial performance, and reputation may be materially and adversely affected. We may not have full or effective control over the third-party suppliers to prevent such incidents, and the third-party suppliers may not be willing or be able to provide sufficient indemnification or compensation, if at all, for any losses and expenses that we suffer as a consequence.

In addition, our supply of IaaS cloud services is concentrated to a limited number of third-party suppliers, which may amplify the risks relating to the dependence on third-party IaaS cloud service providers. Our major IaaS cloud services provider was also our largest supplier during the Track Record Period, which accounted for approximately 37.7%, 35.5% and 39.4% of our total purchases in 2020, 2021 and 2022, respectively. While we believe we maintain good business relationship with our IaaS cloud services providers, we cannot assure you that such relationships will not worsen or collapse in the future. In addition, if such service providers were to adjust their business or to encounter difficulties in their operations, the operation of our SaaS products and business as a whole may be affected in turn as a result. We cannot assure you that, in the event our business relationship with our IaaS cloud services providers were to deteriorate or the supply were to be terminated for any other reasons, we will be able to secure alternative suppliers for IaaS services promptly at commercially favorable terms. If any of the foregoing events occur, our business will be materially and adversely affected.

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Defects or errors in our products or solutions will decrease or diminish demand for our products or solutions, and harm our business and results of operations.

Our SaaS products and solutions are subject to potential defects or errors that may arise during development, testing, or deployment. These defects or errors may result in customer dissatisfaction, harm to our reputation, and reduced demand for our products and solutions. If our products or solutions contain defects or errors, our customers may experience issues with their own systems or operations, which could result in lost revenue, increased expenses, and damage to our reputation. Furthermore, our customers may choose to switch to our competitors’ products or solutions, which could negatively impact our market share and financial performance. In addition, fixing defects or errors in our products or solutions may require significant resources, which could impact our financial performance and ability to deliver new products or solutions in a timely manner. Therefore, defects or errors in our products or solutions will decrease or diminish demand for our products or solutions and harm our business and results of operations.

We may be subject to complex and evolving laws and regulations regarding privacy and data protection. Actual or alleged failure to comply with privacy and data protection laws and regulations could damage our reputation, deter current and potential customers from using our solutions and subject us to significant legal, financial and operational consequences.

In recent years, government authorities across the world have been increasingly focusing on privacy and data protection. Particularly in China, the substantial base of our business operations, the PRC government has enacted a series of laws and regulations on the protection of personally identifiable data in the past few years. See “Regulation—Regulations on Internet Information Security and Privacy Protection.” We may be subject to laws and regulations regarding privacy and data protection in China and other areas and jurisdictions. As a result, we may be required to upgrade our products to help them comply with such laws and regulations. As of the Latest Practicable Date, we had not been subject to any enquiry, investigation, notice, inspection, action or penalty from the PRC authorities or any other relevant regulatory bodies in relation to our compliance with privacy and data protection laws and regulations.

We have adopted various measures to ensure legal compliance. See “Business—Data Privacy and Security” for more information. However, the laws and regulations regarding privacy and data protection in China, as well as in other jurisdictions, are generally complex and evolving, with uncertainty as to the interpretation and application thereof. As such, we cannot assure you that our privacy and data protection measures are, and will be, always considered sufficient under applicable laws and regulations and we cannot assure you that we will stay in compliance with all applicable laws and regulations. Additionally, the effectiveness of our privacy and data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyberattacks. If we are unable to comply with the then-applicable laws and regulations, or to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers from using our solutions and could subject us to significant legal, financial and operational consequences.

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On June 10, 2021, the Standing Committee of the National People’s Congress of China promulgated the PRC Data Security Law (《中華人民共和國數據安全法》), which has become effective on 1 September 2021. The PRC Data Security Law provides for data security obligations on entities and individuals carrying out data processing activities, introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used, and provides for a national security review procedure for those data processing activities which affect or may affect national security and imposes export restrictions on certain data and information. Furthermore, recently, certain PRC regulatory authorities issued Opinion on Severely Punishing Illegal Activities in Securities Market (《關於依法從嚴打擊證券違法活動的意見》), which was available to the public on July 6, 2021, that further emphasized the need to strengthen cross-border regulatory collaboration, to improve relevant laws and regulations on data security, cross-border data transmission, and confidential information management, and provided that efforts will be made to revise the regulations on strengthening the confidentiality and archive management relating to the [REDACTED] and [REDACTED] of securities abroad, to implement the responsibility on information security of companies [REDACTED] in foreign countries, and to strengthen the standardized management of cross-border information provision mechanisms and procedures. However, there were no detailed rules, regulations or explanations with respect to this opinion, and there are still uncertainties regarding the interpretation and implementation of this opinion. On July 7, 2022, CAC promulgated the Measures for Evaluating the Security of Transmitting Data Overseas (數據出境安全評估辦法), which came into effect on September 1, 2022. Such Measures for Evaluating the Security of Transmitting Data Overseas require data processors to apply for a security assessment on data export in one of the following scenarios:

- where a data processor provides important data abroad;
- where a critical information infrastructure operator or a data processor who processes the personal information of one million or more individuals transfers such personal information abroad;
- where a data processor has provided personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total abroad since January 1 of the previous year; and
- other circumstances prescribed by the CAC for which declaration for security assessment for outbound data transfers is required.

According to our self-assessment, up to the Latest Practicable Date, we believe neither of the above threshold applies to us, and we did not trigger the government security assessment under the Measures on Data Export Security Assessment.

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On November 14, 2021, the CAC released the Network Data Security Management Regulations (Draft for Comment) (網絡數據安全管理條例(徵求意見稿)) (the “Draft Regulations”). The Draft Regulations stipulate that the several requirements for entities who process data through the internet within PRC, including data processor (i) shall be responsible for the security of the data it processed and shall undertake data protection obligation; and (ii) shall establish a comprehensive data protection system and technical protection mechanism. At present, the Draft Regulations had only been released for consultation purposes, and several detailed requirements are newly included in the Draft Regulations; as such there still remain uncertainties as to its final content, anticipated adoption or effective date, final interpretation and implementation, and other aspects. We will closely monitor the rule-making process and will assess and determine whether we are materially impacted when and once the Draft Regulation is formally promulgated. Even if we endeavor to comply with relevant laws and regulations, we may not always be able to do so due to a lack of detailed implementation rules by relevant government authorities. In addition, some provisions under certain laws and regulations still remain principle and lack specific interpretation up to regulations especially to a specific case scenario. These uncertainties may have a material adverse impact on our business operation and financial results.

On December 28, 2021, the CAC, and 12 other relevant PRC government authorities published the amended Cybersecurity Review Measures, which became effective on February 15, 2022 and superseded and replaced the current Cybersecurity Review Measures previously promulgated on April 13, 2020. The Cybersecurity Review Measures provide that (1) critical information infrastructure operators (“CIIO”) purchasing network products and services and Internet platform operators carrying out data processing activities that affect or may affect national security shall apply for a cybersecurity review, and (2) Internet platform operators holding personal information of more than one million users seeking to be [REDACTED] in foreign countries must apply for a cybersecurity review as well. In addition, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. There can be no assurance if we are required to follow the cybersecurity review procedures, and if so, whether we would be able to complete the applicable cybersecurity review procedures in a timely manner. In addition, any failure or delay in the completion of the cybersecurity review procedures or any other noncompliance or perceived noncompliance with the PRC Cybersecurity Law or related regulations may prevent us from using or providing certain network solutions and services, and may result in fines or other penalties such as making certain required rectification, suspending our related business, closing our website or taking down our operations and reputational damages or proceedings or actions against us by PRC regulatory authorities, customers or others, which may have a material adverse effect on our business, operation or financial conditions.

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These and other similar legal and regulatory developments could lead to legal and economic uncertainties, affect how we design our IT systems, operate our business and process data, which could negatively impact demand for our products. We may incur substantial costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations and to establish and maintain internal compliance policies.

We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third parties from any unauthorized use of our technologies.

Our trade secrets, trademarks, copyrights, patents, and other intellectual property rights are critical to our success. We rely on, and expect to continue to rely on, confidentiality agreements, noncompete agreements and other contractual arrangements with our employees and third parties, as well as a combination of patent, trademark, copyright, domain name, trade secrets and other proprietary rights protection laws in China to protect our intellectual properties. However, events beyond our control may pose threats to our intellectual property rights and the integrity of our products and brand. Effective protection of our trademarks, copyrights, domain names, patent rights, and other intellectual property rights is expensive and challenging. While we have taken measures to protect our intellectual property rights, including implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, and deploying a special team to guide, manage, supervise and monitor our daily work regarding intellectual property rights, we cannot assure you that such efforts are adequate to guard against any potential infringement and misappropriation. In addition, our intellectual property rights may be declared invalid or unenforceable by the courts.

To protect our unpatented proprietary information and technology, such as trade secrets, we rely on our agreements with employees and third parties that contain restrictions on the use and disclosure of such information or technology. For example, our employees and third parties are required to keep confidential any unpatented proprietary information and technology during the contract term and after the termination of the employment agreement. These agreements may be inadequate or may be breached, either of which could potentially result in unauthorized use or disclosure of our trade secrets and other proprietary information to third parties, including our competitors. As a result, we may lose our competitive advantages derived from such intellectual property. Significant impairments on our intellectual property rights may result in a material and adverse effect on our business.

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We may be subject to intellectual property infringement claims, which may be expensive and time-consuming to defend and may disrupt our business operations by diverting our financial and management resources.

Our competitors and other third parties may, with or without merit, bring legal claims against us for infringing on their patents, copyrights, trademarks or other intellectual property rights. The intellectual property laws in China, which cover the validity, enforceability and scope of protection of intellectual property rights, are evolving, and litigation is an increasingly popular means to resolve commercial disputes. Given the foregoing and the increasing competition in the market, we are exposed to heightened litigation risks. Any intellectual property lawsuits against us, whether successful or not, may harm our brand and reputation. During the Track Record Period, we were not subject to any intellectual property infringement claims that may have a material adverse impact on our business.

Defending intellectual property claims is costly and can impose a significant burden on our management and resources. Further, we may not be able to successfully defend against all legal claims, and thus we may need to pay damages or be forced to cease using certain technologies or content that is critical to our products and solutions. Any consequential liabilities, expenses or any changes to our products or services that we have to make to limit future liabilities, may have a material adverse effect on our business, results of operations, and prospects.

Our use of open-source technology could impose limitations on our business operation.

We use open-source technology in some of our platform and expect to continue to use open-source software in the future. Although we monitor our use of open-source technology to avoid subjecting our products to conditions we do not intend to be bound, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open-source license, including by demanding release of the open-source technology, derivative works, or our proprietary source code that was developed using such technology. These allegations could also result in litigation. The terms of many open source licenses have not been interpreted by courts. There is a risk that these licenses could be construed in a way that imposes unanticipated conditions or restrictions on our ability to commercialize our products. In such an event, we may be required to seek licenses from third parties to continue commercially offering our products, to make our proprietary code generally available in source code form, to re-engineer our products or to discontinue the sale of our products if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business and revenue.

The use of open-source technology subjects us to a number of other risks and challenges. Open-source technology is subject to further development or modification by anyone. Others may develop such technology to compete with us, or render such software no longer useful. It is also possible for competitors to develop their own products and solutions using open-source technology, potentially reducing the demand for our products and solutions. If we are unable to successfully address these challenges, our business and operating results may be adversely affected, and our development costs may increase.

RISK FACTORS

We may be involved in disputes arising from our operations, and the resulting customer complaints and legal proceeds against us may harm our reputation, which could adversely affect our business, prospects, results of operations and financial condition.

As a provider of SaaS products, we may face disputes with customers, suppliers, partners, or other third parties. These disputes may arise from issues related to our products, services, intellectual property rights, contracts, or other matters, and may lead to legal proceedings or arbitration. We may not be able to successfully defend against such legal claims at all times. Any disputes or legal proceedings against us could be time-consuming, costly, and could harm our reputation. Even if we are ultimately successful in defending against such disputes or legal proceedings, they could distract management, disrupt our operations, and result in negative publicity, which could adversely affect our business and financial performance. Moreover, customer complaints or negative reviews could harm our reputation and lead to reduced demand for our product. We may also face reputational harm from incidents of data breaches, cyberattacks, or other security breaches that may compromise the confidentiality, integrity, or availability of customer data. If we are unable to effectively manage these risks, our business and financial performance may be materially and adversely affected.

Changes in laws and regulations related to the e-commerce and/or cloud services industry may diminish the demand for our services and have a negative impact on our business.

The future success of our business depends upon the continued popularity of e-commerce and related cloud services, which are partially attributable to the favorable laws, regulations and policies that promote these industries in China. Changes in these laws or regulations could significantly affect the value of our products and services and/or require us to modify our products in order to comply with these changes. In addition, government agencies may impose additional taxes, fees or other charges for accessing the internet, e-commerce and or cloud services. These laws and changes could limit the growth of e-commerce, related cloud services or even internet communications in general and thus reduce the demand for our products and services.

Negative publicity and allegations involving us, our shareholders, Directors, officers, employees, associates and business partners may affect our reputation and, as a result, our business, prospects, results of operations and financial condition may be negatively affected.

We, our shareholders, Directors, officers, employees, associates and business partners may be subject to negative media coverage and publicity from time to time. Such negative coverage in the media and publicity could change the market perception that we are a trustworthy service provider. In addition, to the extent our employees and business partners were noncompliant with any laws or regulations, we may also suffer negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity, and may not be able to diffuse them to the satisfaction of our [REDACTED] and customers.

RISK FACTORS

We are dependent on the continued services of our senior management and other key employees, the loss of any of whom could adversely affect our business, prospects, results of operations and financial condition.

Our future performance depends on the continued services and contributions of our senior management to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of service of our senior management or other key employees can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results. From time to time, there may be changes in our senior management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them into our existing teams also requires a significant amount of time, training and resources, and may impact our existing corporate culture.

If we are unable to attract, retain and motivate qualified personnel, our growth and prospects may be adversely affected.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel specializing in research and development, product development, and sales and marketing, particularly with experience in the e-commerce market in China. In order to enhance the stability of our team, we are devoted to building a nurturing corporate culture and have offered various incentives and trainings to our highly skilled personnel. Nevertheless, we cannot assure you that we can attract or retain qualified personnel. The inability to do so or delays in hiring required personnel may cause significant harm to our business, financial condition and operating results. 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, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

Meanwhile, the size and scope of our business may require us to hire and retain a wide range of personnel with different portfolios of experiences, expertise and personal traits. Competition for talent and qualified personnel in our industry is intense, and the availability of suitable and qualified candidates in the PRC 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, we cannot assure you that these individuals would choose to join or continue working for us. If we fail to attract and retain personnel with suitable managerial or other expertise, or to maintain an adequate labor force on a continuous and sustained basis, our financial position and results of operations could be materially and adversely affected.

RISK FACTORS

We have granted share-based awards in the past under our share incentive plan and may continue to grant share-based awards in the future, which may cause shareholding dilution to our existing shareholders and result in increased share-based payments for employees and have an adverse effect on our financial performance.

We have a [REDACTED] employee incentive plan under which 311,780 Shares of the Company have been reserved to be issued to the trustee responsible for administering the employee incentive plan. As of the Latest Practicable Date, none of the 311,780 Shares have been issued. See “History, Reorganization and Corporate Structure—Issue of Shares for Employee Incentive.”

We believe the share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based compensation awards in the future. As a result, our expenses associated with share-based compensation may increase, which may have a material and adverse effect on our financial performance. Our ability to attract or retain highly skilled employees may be adversely affected by declines in the perceived value of our equity or equity awards. Furthermore, there are no assurances that the number of shares reserved for issuance under our share incentive plans will be sufficient to grant equity awards adequate to recruit new employees and to compensate existing employees. In case we decide to reserve and issue additional shares under our share incentive plans, your interests in our Company will be further diluted by such issuance.

Any discontinuation, reduction or delay of any government grants, tax refund, or preferential tax treatments would have a material and adverse impact on our business, prospects, results of operations and financial condition.

We received government grants of RMB10.5 million, RMB11.5 million and RMB13.8 million in 2020, 2021 and 2022, respectively. In addition, we have benefited from preferential tax treatments from the PRC government during the Track Record Period. For example, some of our subsidiaries qualified as high and new technology enterprises and accordingly were entitled to a preferential income tax rate of 15% from 2019 to 2022. Certain subsidiaries of ours in the PRC were qualified as “Small Low-Profit Enterprise”. “Small Low-Profit Enterprise” was entitled to a preferential income tax rate that was calculated in accordance with the two-tiered profits tax rates regime. From 1 January 2019 to 31 December 2020, under the two-tiered profits tax rates regime, the first RMB1 million of the taxable income of qualified entities are taxed at 5%, and the taxable income above RMB1 million and less than RMB3 million are taxed at 10%. From 1 January 2021 to 31 December 2022, the first RMB1 million of the taxable income of qualified entities are taxed at 2.5%, and the taxable income above RMB1 million and less than RMB3 million are taxed at 10%. Thus the subsidiaries were subject to a preferential income tax rate of 5% or 10% in 2020 and 2.5% or 10% in 2021 and 2022. Furthermore, our subsidiaries operating in the PRC were eligible for certain tax credits on their research and development expenses during the Track Record Period. See Note 12 to the Accountant’s Report included in Appendix I to this Document for more details. We cannot assure you that we will continue to receive government grants at the same level or at all, or that we will continue to enjoy the current preferential tax treatments, in which case our business, financial condition and result of operations may be materially and adversely affected.

RISK FACTORS

We utilize regional sales agents to market and promote our products and solutions. If we are unable to develop and maintain successful relationships with our regional sales agents, our business, prospects, results of operations and financial condition could be adversely affected.

To date, we have utilized our regional sales agents to market and sell our SaaS products in Fujian province and Jinhua city in Zhejiang province. As of December 31, 2022, we had two sales agents for SaaS products. Our revenue generated from customers reached by the sales agents accounted for approximately 20.0%, 19.3% and 18.8% of our total revenue in 2020, 2021 and 2022, respectively. We believe it is important to identify, develop, and maintain stable relationships with our sales agents in order to drive our revenue growth. Our agreements with our existing sales agents for SaaS products are exclusive, meaning our sales agents are contractually prohibited from serving any businesses similar to ours in the respective regions they are engaged for.

While we intend to continue dedicating resources to identifying, developing and maintaining stable relationships with our sales agents, we cannot assure you that our existing or prospective sales agents will strictly comply with the exclusivity or other terms of our agreements with them. They may also cease marketing our products with limited or no notice. If we fail to identify additional sales agents in a timely and cost-effective manner, or at all, or we are not able to independently market our SaaS products and related services in the local communities of the regions where we engage the sales agents, our business, results of operations, and financial condition could be adversely affected.

Additionally, if our sales agents do not effectively market and sell our products and solutions, or fail to meet the needs of our customers, our reputation among prospective and existing customers and ability to grow our business may also be adversely affected.

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

We seek to establish risk management and internal control systems consisting of an organizational framework, policies, procedures and risk management methods that are appropriate for our business operations, and seek to continue to improve these systems. For further information, see “Business—Risk Management and Internal Control.” Our risk management and internal controls depend on their effective implementation by our employees. Due to the significant size of our operations, we cannot assure you that such implementation will not involve any human errors or mistakes, which may materially and adversely affect our business and results of operations. As we are likely to offer a broader and more diverse range of services and solutions in the future, the diversification of our service offerings will require us to continue to enhance our risk management capabilities. If we fail to timely adapt our risk management policies and procedures to our changing business, our business, results of operations and financial condition could be materially and adversely affected.

RISK FACTORS

Our strategic investments or acquisitions may fail and may result in a material and adverse impact on our business, prospects, results of operations and financial condition.

As part of our business strategy, we have pursued, and intend to continue to pursue, selective strategic investments and acquisitions of businesses and assets that complement our existing business and help us execute our growth strategies.

We intend to make other strategic investments and acquisitions in the future if suitable opportunities arise. Investments and acquisitions involve uncertainties and risks, including, but not limited to:

- failure to achieve the intended objectives, benefits or revenue-enhancing opportunities;
- nonoccurrence of anticipated or speculative transactions and any resulting negative impact;
- costs and difficulties of integrating acquired businesses and managing a larger business;
- in the case of investments where we do not obtain management and operational control, lack of influence over the controlling partner or shareholder, which may prevent us from achieving our strategic goals in the investments;
- possible unsatisfactory operational or financial performance, including financial loss, or fraudulent activities of a target business;
- possible loss of key employees of a target business;
- potential claims or litigation regarding our board’s exercise of its duty of care and other duties required under applicable law in connection with any of our significant acquisitions or investments approved by the board;
- diversion of resources and management attention;
- regulatory hurdles and compliance risks, including the anti-monopoly and competition laws, rules and regulations of China and other jurisdictions and the enhanced compliance requirement for outbound acquisitions and investment under the laws and regulations of China; and
- in the case of acquisitions of businesses or assets outside of China, the need to integrate operations across different business cultures and languages and to address the particular economic, currency, political, and regulatory risks associated with specific countries and regions.

RISK FACTORS

Any failure to address these risks successfully may have a material and adverse effect on our financial condition and results of operations. Investments and acquisitions may require a significant amount of capital, which would decrease the amount of cash available for working capital or capital expenditures. In addition, if we use our equity securities to pay for investments and acquisitions, we may dilute the value of our securities. If we borrow funds to finance investments and acquisitions, such debt instruments may contain restrictive covenants that could, among other things, restrict us from distributing dividends. Moreover, acquisitions may also generate significant amortization expenses related to intangible assets. We are required to test our goodwill for impairment annually or more frequently if events or changes in circumstances indicate that they may be impaired. We may also incur significant impairment charges to earnings for investments and acquired businesses and assets. Moreover, there can be no assurance that our investments will bring the anticipated strategic benefits to us.

We may not have sufficient insurance coverage to cover our potential liability or losses, and our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise.

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had not obtained any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances impractical for our business. However, any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our business and results of operations.

Legal defects regarding some of our leased properties may affect our interests in the leased properties. Challenges to our interests in the leased properties could significantly disrupt our business and may adversely affect our business, financial condition and results of operations.

As of the Latest Practicable Date, certain of our leased properties from third parties had title defects, including 13 leased properties for which the relevant lessors had not provided us with valid title certificates or relevant authorization documents evidencing the right to lease the property to us, and 8 leased properties for which the planned use contained in the property ownership certificates is inconsistent with the contractual use contained in the lease agreements. Such leased properties are used as our offices or staff accommodations. As a result, the lease may not be valid, and we may not be able to continue to use such property if the lessor’s right to lease such property is challenged by any third party or government authorities. See “Business—Properties”. Further, we cannot assure you that we are able to renew our lease on commercially acceptable terms upon expiry, or at all. If the title of any of our leased properties is controversial or the validity of the relevant lease is challenged by any third party or government authorities, or if we fail to renew our lease upon expiry, we may be

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compelled to relocate from the affected premises. Such relocation may result in additional expenses or business interruption, which could, in turn, have an adverse effect on our business, financial condition and results of operations.

Some leasing agreements of our leased properties have not been registered as required by applicable PRC laws and regulations. We may be subject to penalties should we fail to register these lease agreements upon request by the relevant authorities.

As of the Latest Practicable Date, 57 of our leased properties had not been registered with the competent PRC government authorities as required by applicable PRC laws and regulations. Our PRC Legal Advisors have advised us that pursuant to the Civil Code (《中華人民共和國民法典》), failure to register such lease agreements with relevant PRC government authorities does not affect the effectiveness of the lease agreements, but the relevant PRC government authorities may order us to, within a prescribed time limit, register the lease agreements. Failure to do so may subject us to a fine ranging from RMB1,000 to RMB10,000 for each lease agreement. See “Business—Properties”.

We may not be able to obtain the required licenses, permits and approvals to operate our business at all times.

Our failure to obtain requisite approvals, licenses or permits applicable to our business or any changes in government policies or regulations may have a material and adverse impact on our business, financial condition and operational results.

The government authorities may pass new regulations or new interpretations of existing regulations regulating our business and we may expand into new business operations. They may require us to obtain additional licenses, permits or approvals so that we can continue to operate our existing or future businesses or otherwise prohibit our operation of the types of businesses to which the new requirements apply. In addition, new regulations or new interpretations of existing regulations may increase our costs of doing business and prevent us from efficiently delivering services and expose us to potential penalties and fines. If any of our entities are deemed by governmental authorities to be operating without appropriate permits and licenses or outside of their authorized scopes of business or otherwise fail to comply with relevant laws and regulations, we may be subject to penalties and our business, financial condition, and results of operation may be materially and adversely affected.

We face risks related to natural disasters, health epidemics and other outbreaks of contagious diseases, which could significantly disrupt our operations.

Our business could be adversely affected by natural disasters or outbreaks of epidemics. These natural disasters, outbreaks of contagious diseases and other adverse public health developments in any market where we operate could severely disrupt our business operations by damaging our network infrastructure or information technology system or impacting the productivity of our workforce, which may adversely affect our financial condition and results of operations. For example, our and our customers’ business operations were adversely affected

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by the COVID-19 outbreak. In 2022, the operation of many participators in the e-commerce platform and the logistic network was affected, and the transaction volume of the e-commerce industry shrunk due to the declined consumer demands. As a result, we experienced a slowdown in customer acquisition and revenue growth.

The current tensions in international trade and rising political tensions may adversely impact our business, financial condition, and results of operations.

As a company operating in China and seeking to expand the footprint to the global marketplace, we may be exposed to risks arising from geopolitical tensions and international trade disputes. Recently, there have been heightened tensions in international economic relations. Additionally, these tensions may create uncertainty, volatility, and instability in the global economy, financial markets, and currency exchange rates, which could adversely affect our business and financial performance. We may need to closely monitor and assess these risks, and take appropriate measures to mitigate them, such as diversifying our customer base, hedging our foreign exchange risk, and adapting our business strategies to changing market conditions. However, there can be no assurance that we will be successful in mitigating these risks, and any failure to do so could have a material adverse effect on our business, financial condition, and results of operations.

We may be unable to obtain any additional capital required in a timely manner or on acceptable terms, or at all. Moreover, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders’ shareholdings or subject us to covenants that may restrict our operations or our ability to pay dividends.

To grow our business and remain competitive, we may require additional capital from time to time for our daily operations. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the industry in which we operate;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities by our competitors in China; and
- economic, political and other conditions in China and internationally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, our future capital or other business needs could require us to issue additional equity or debt securities, or to obtain additional credit facility. The issuance of additional equity or equity-linked securities could dilute our shareholders’ shareholdings. Any incurrence of indebtedness will also lead to increased debt service obligations, and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our shareholders.

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RISKS RELATING TO CONDUCTING BUSINESS IN CHINA

Any requirement to obtain approval from the CSRC or other PRC governmental authorities could delay the [REDACTED], and any failure to obtain such approval, if required, could materially and adversely affect our business, operating results, and reputation, as well as the [REDACTED] price of our Shares.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (關於外國投資者併購境內企業的規定) (the “M&A Rules”), adopted by six PRC regulatory agencies in 2006 and amended in 2009, purport to require offshore special purpose vehicles that are controlled by PRC companies or individuals and that have been formed for the purpose of seeking a [REDACTED] on an overseas stock exchange through acquisitions of PRC domestic companies or assets to obtain CSRC approval prior to [REDACTED] their securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear. If CSRC approval is required, it is uncertain how long it will take for us to obtain such approval, and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or a delay in obtaining CSRC approval for this [REDACTED] may subject us to sanctions imposed by the CSRC and other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

Our PRC Legal Adviser has advised us that, based on its understanding of the current PRC laws and regulations, we will not be required to submit an application to the CSRC for the approval under the M&A Rules for the [REDACTED] because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether [REDACTED] and [REDACTED] like this [REDACTED] are subject to the M&A Rules; and (ii) our wholly-owned PRC subsidiaries were established by means of direct investment and not through a merger or acquisition of a “PRC domestic company” owned by PRC companies or individuals as defined under the M&A Rules.

However, our PRC Legal Adviser has further advised us that there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas [REDACTED], and its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Adviser, and hence, we may face regulatory actions or other sanctions from them.

Furthermore, according to the New CAC Measures, in the following cases, applications for cybersecurity review shall be submitted to the Cybersecurity Review Office (網絡安全審查辦公室): (i) if a critical information infrastructure operator (“CIIO”) purchases network products and services, it shall anticipate the potential national security risks that may arise from the use of such products and services. Those that affect or may affect national security shall be reported to the Cybersecurity Review Office for cybersecurity review; and (ii) an internet platform operator holding more than 1 million users’ personal information must apply to the Cybersecurity Review Office for cybersecurity review when seeking to be [REDACTED] in a foreign country.

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Further more, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security. In addition, on November 14, 2021, the CAC published the Draft Regulations on Cyber Data Security which 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 [REDACTED] on a foreign stock exchange; and (ii) the data processors’ [REDACTED] in Hong Kong affects or may possibly affect national security. There is no timetable as to when such draft measures will be enacted. As such, it remains unclear whether the formal version adopted in the future will have any further material changes; it is uncertain how the measures will be enacted, interpreted or implemented and how they will affect the [REDACTED]. Our PRC Legal Advisors conducted consultation via the hotline published by the CAC on a named basis on behalf of us on May 8, 2023 with the officer of the China Cybersecurity Review Technology and Certification Center (中國網絡安全審查技術與認證中心) (the “CCRC”). The CCRC is a competent authority on this consultation, as it is entrusted with acceptance and review of application materials by the Cybersecurity Review Office under the CAC and to set up a hotline for consultation regarding the cybersecurity review, according to the official announcement by the CAC. Based on such consultation, the New CAC Measures do not require enterprises seeking [REDACTED] in Hong Kong to take the initiative to apply for a cybersecurity review, as Hong Kong is part of PRC and does not belong to the “foreign country” as stipulated in the New CAC measures. However, given the New CAC Measures were recently promulgated, and the Draft Regulations have not become effective as of the Latest Practicable Date, there are uncertainties as to the interpretation, application and enforcement of the New CAC Measures and the Draft Regulations. We will closely monitor the legislative process and seek guidance from relevant regulatory authorities in a timely manner to ensure our compliance with relevant laws and regulations applicable to us.

We may be subject to the approval, filing or other requirements of the CSRC or other PRC governmental authorities with respect to the [REDACTED] and [REDACTED].

On February 17, 2023, the CSRC promulgated 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 “Trial Measures”) and five supporting guidelines, which took effect on March 31, 2023. According to the Trial Measures, PRC domestic companies that seek to [REDACTED] and [REDACTED] securities overseas, directly or indirectly, should fulfill the filing procedure and report relevant information to the CSRC. The Trial Measures provide that if the issuer both meets the following criteria, the overseas securities [REDACTED] and [REDACTED] conducted by such issuer will be deemed as an indirect overseas [REDACTED] by PRC domestic companies: (i) 50% or more of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent fiscal year is accounted for by PRC domestic companies; and (ii) the main parts of the issuer’s business activities are conducted in mainland China, or its main places of operations are located in mainland China, or the senior

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managers in charge of its operation and management are mostly Chinese citizens or domiciled in the PRC. Where an issuer submits an application for [REDACTED] to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted.

On February 24, 2023, the CSRC and other relevant government authorities promulgated the Provisions on Strengthening the Confidentiality and Archives Administration of Overseas Securities Issuance and Listing by Domestic Enterprises (關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定) (the “Provision on Confidentiality”), which took effect on March 31, 2023. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, or provides or publicly discloses through its overseas [REDACTED] subjects, documents and materials involving state secrets and working secrets of state organs, it shall report the same to the competent department with the examination and approval authority for approval in accordance with the law, and submit the same to the secrecy administration department of the same level for filing. Domestic enterprises providing accounting archives or copies thereof to entities and individuals concerned such as securities companies, securities service institutions and overseas regulatory authorities shall perform the corresponding procedures pursuant to the relevant provisions of the State. Moreover, working papers produced in the Chinese mainland by securities companies and securities service providers in the process of undertaking businesses related to overseas [REDACTED] and [REDACTED] by domestic companies shall be retained in the Chinese mainland.

However, given that the Trial Measures and Provision on Confidentiality were recently promulgated, there remain uncertainties as to their interpretation, application, and enforcement and how they will affect our operations and our future financing. In addition, if we fail to complete the filing procedure or conceal any material fact or falsify any major content in our filing documents, we may be subject to administrative penalties, such as an order to rectify, warnings, fines, and 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.

Changes in the economic, political and social conditions, as well as policies of the PRC government, could have a material adverse effect on our business and prospects.

Substantially all of our revenue was derived from our businesses in the PRC during the Track Record Period. Accordingly, our business, financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and legal developments in the PRC. For example, our financial condition and results of operations may be adversely affected by government policies on the internet service industry in China or changes in tax regulations applicable to us. If the business environment in the PRC deteriorates, our business in the PRC may also be materially and adversely affected.

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Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to our business and our shareholders.

Our PRC subsidiaries are subject to various PRC laws and regulations generally applicable to companies in China. However, since some of these laws and regulations are relatively new, the interpretations of many laws, regulations and rules are not always uniform, and enforcement of these laws, regulations and rules involves uncertainties.

Such uncertainties, and any failure to respond to changes in the regulatory environment in China, could materially and adversely affect our business and impede our ability to continue our operations, and may further affect the legal remedies and protections available to [REDACTED], which may, in turn, adversely affect the value of your [REDACTED].

PRC laws and regulations concerning the internet information industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations, and to avoid conducting any noncompliant activities under the applicable laws and regulations, the PRC government authorities may promulgate new laws and regulations regulating the internet information industry in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations relating to internet information service. Moreover, developments in the internet information industry may lead to changes in PRC laws, regulations and policies, or in the interpretation and application of existing laws, regulations and policies that may limit or restrict internet information platforms, which could materially and adversely affect our business and operations.

The M&A Rules and certain other PRC regulations establish certain procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.

The M&A Rules and some other established regulations and rules concerning mergers and acquisitions, as well as additional procedures and requirements, could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements, in some instances, 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. Moreover, the Anti-Monopoly Law requires that the SAMR 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. 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 or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

RISK FACTORS

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 EIT 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 STA 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 China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those that are not controlled by PRC enterprises or PRC enterprise groups like us, the criteria set forth in the circular may reflect the STA’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 China, and will be subject to 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 China, it remains unclear how the tax residency rule will apply in our case. If the PRC tax authorities determine that our Company, or any of our subsidiaries outside of China, is a PRC resident enterprise for PRC enterprise income tax purposes, then our Company or such subsidiary could be subject to 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 PRC enterprise income tax reporting obligations. Moreover, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our ordinary shares may be subject to PRC tax, and dividends we pay may be subject to PRC withholding 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 gains or dividends are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to obtain 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.

RISK FACTORS

Fluctuations in exchange rates could result in foreign currency exchange losses.

The value of the RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes and depends, to a large extent, on domestic and international economic and political developments, as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. We are subject to the risk of volatility in future exchange rates and to the PRC government’s controls on currency conversion.

The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the Hong Kong dollar may result in a decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, our Shares in a foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Moreover, we are also currently required to obtain the SAFE’s approval before converting significant sums of foreign currencies into RMB. All of these factors could materially and adversely affect our business, financial condition, and results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

Regulations on foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.

We receive substantially all of our net revenue in RMB. Under our current corporate structure, our Company in the Cayman Islands relies on dividend payments, 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 PRC foreign exchange regulation. However, approval from, or registration with, appropriate governmental authorities is required where RMB 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. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

RISK FACTORS

PRC regulation of loans to, and direct investments in, 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, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

As advised by our PRC Legal Advisor, 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, filing with, or registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiaries are subject to registration with SAMR or its local branches in China. In addition, (i) any foreign loan procured by our PRC subsidiaries is required to be registered with SAFE, or its local branches or designated banks, and (ii) each of our PRC subsidiaries may not procure loans that exceed the difference between its registered capital and its total investment amount or do not meet certain criteria relating to its net asset. Any medium- or long-term loan to be provided by us to our PRC subsidiaries must be recorded and registered by the National Development and Reform Committee and the SAFE or its local branches or designated banks. We may not be able to complete such filing or 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 complete such filing or 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本金結匯管理方式的通知), or 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 capitals of foreign-invested enterprises, which 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 capitals 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 funds converted from their foreign exchange capitals for expenditure beyond their 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 in, China the [REDACTED] from this [REDACTED], which may adversely affect our business, financial condition and results of operations.

RISK FACTORS

There is uncertainty with respect to the indirect transfers of equity interests in our PRC resident enterprises through transfers made by our Shareholders or our non-PRC holding companies.

On February 3, 2015, the STA promulgated the Public 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 “Circular 7”), which provides comprehensive guidelines relating to, and has also heightened the Chinese tax authorities’ scrutiny over, indirect transfers by a non-resident enterprise of assets (including equity interests) of a Chinese resident enterprise (the “Chinese Taxable Assets”). For example, Circular 7 states that where a non-resident enterprise transfers Chinese Taxable Assets indirectly, by disposing of equity interests in an overseas holding company directly or indirectly holding such Chinese Taxable Assets, and such transfer is deemed to be for the purpose of avoiding EIT payment obligations, and without any other bona fide commercial purpose, the transfer may be reclassified by the Chinese tax authorities as a direct transfer of Chinese Taxable Assets. Circular 7 also introduced safe harbors for internal group restructurings and the purchase and sale of equity interests through a public securities market. On October 17, 2017, the STA 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 “STA Circular 37”), which came into force on December 1, 2017. STA Circular 37, among other things, simplifies the procedures of withholding and payment of income tax levied on non-resident enterprises.

Although Circular 7 contains certain exemptions, it is unclear whether any exemptions under Circular 7 will be applicable to the transfer of our Shares, such as purchasing our Shares in the open market, and selling them in a private transaction, or vice versa, or to any future acquisition by us outside of China involving Chinese Taxable Assets, or whether the Chinese tax authorities classify such transactions by applying Circular 7. Therefore, the Chinese tax authorities may deem any transfer of our Shares by those of our Shareholders that are non-resident enterprises, or any future acquisitions by us outside of China involving Chinese Taxable Assets, to be subject to the foregoing regulations, which may subject our Shareholders or us to additional Chinese tax reporting obligations or tax liabilities. In addition, if we fail to comply with Circular 7 and STA Circular 37, the Chinese tax authorities may take action, including requesting us to provide assistance in their investigation, or may impose a penalty on us, which could have a negative impact on our business operations.

RISK FACTORS

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

The SAFE has promulgated several regulations that require PRC residents and 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 of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (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) (the “SAFE Circular 37”), was promulgated by the SAFE in July 2014, requiring PRC residents or entities to register with SAFE or its local branch 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.

Under these foreign exchange regulations, PRC residents who make, or have previously made, prior to the implementation of these foreign exchange regulations, direct or indirect investments in offshore companies, are required to register those investments. In addition, any PRC resident who is a direct or indirect shareholder of an offshore company is required to update the previously filed registration with the local branch of the SAFE, with respect to that offshore company, to reflect any material change involving its round-trip investment, capital variation, such as a change of PRC shareholders, the name of a company, terms of operation, an increase or decrease in capital, transfer or swap of shares, merger or division. If any PRC shareholder fails to make the required registration or to update the previously filed registration, the PRC subsidiary of that offshore parent company may be restricted from distributing its profits and the proceeds from any reduction in capital, share transfer or liquidation to its offshore parent company, and the offshore parent company may also be restricted from injecting additional capital into its PRC subsidiary. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions, including (i) the requirement by the SAFE to return the foreign exchange remitted overseas or into PRC within a period of time specified by the SAFE, with a fine of up to 30% of the total amount of foreign exchange remitted overseas or into PRC and deemed to have been evasive or illegal, and (ii) in circumstances involving serious violations, a fine of no less than 30% of and up to the total amount of remitted foreign exchange deemed evasive or illegal.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知) (the “SAFE Circular 13”), promulgated by SAFE on February 13, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

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We are committed to complying with, and to ensuring that our Shareholders who are subject to the regulations will comply with, the relevant SAFE rules and regulations. However, due to the inherent uncertainty in the implementation of the regulatory requirements by PRC authorities, such registration might not be always practically available in all circumstances as prescribed in those regulations. In addition, we may not always be able to compel them to comply with SAFE rules and regulations. We cannot assure you that the SAFE or its local branches will release explicit requirements or interpret the relevant PRC laws and regulations otherwise. Failure by any such Shareholders to comply with SAFE rules and regulations could subject us to fines or legal sanctions, restrict our investment activities in the PRC and overseas, or our cross-border investment activities, limit our subsidiaries’ ability to make distributions, pay dividends or make other payments to us, or affect our ownership structure, which could adversely affect our business and prospects. As of the Latest Practicable Date, our executive Directors who are PRC residents and indirectly hold shares in our Company, namely Mr. Luo, Mr. He, Mr. Li and Mr. Wang, have completed their respective registration under the SAFE Circular 13 and SAFE Circular 37. However, we may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC residents, and we cannot assure you that all of our shareholders and beneficial owners who are PRC residents will comply with our request to make, obtain or update any applicable registrations, or comply with other requirements under SAFE rules and regulations in a timely manner.

As there is uncertainty concerning the reconciliation of these foreign exchange regulations with other approval requirements, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant governmental authorities. We cannot predict how these regulations will affect our business operations or future strategy. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign currency-denominated borrowings, which may adversely affect our results of operations and financial condition. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we, or the owners of such company, as the case may be, will be able to obtain the necessary approvals, or complete the necessary filings and registrations, required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy, and could adversely affect our business and prospects.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

The STA has issued relevant rules and regulations concerning employee share incentives. Under these rules and regulations, our employees working in the PRC will be subject to PRC individual income tax upon exercise of the share options or grant of the restricted shares. Our PRC subsidiaries have obligations to file documents with respect to the granted share options or restricted shares with relevant tax authorities and to withhold individual income taxes for

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their employees upon exercise of the share options or grant of the restricted shares. If our employees fail to pay, or we fail to withhold, their individual income taxes according to relevant rules and regulations, we may face sanctions imposed by the competent governmental authorities.

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 China. In addition, a majority of our current Directors and officers are nationals and residents of China. 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 China may render you unable to enforce a judgment against our assets or the assets of our Directors and officers.

Failure to comply with the PRC regulations regarding contribution of social insurance premium or housing provident fund may subject us to fines and other legal or administrative penalties.

According to the Social Insurance Law (中華人民共和國社會保險法), the Regulations on the Administration of Housing Provident Funds (住房公積金管理條例) and other applicable PRC regulations, any employer operating in China must contribute social insurance premium and housing provident funds for its employees. During the Track Record Period and up to the Latest Practicable Date, social insurance and housing provident fund contributions for some of our employees had not been made in full in accordance with the relevant PRC laws and regulations. Pursuant to relevant PRC laws and regulations, any failure to make timely and adequate contribution of social insurance premium or housing provident funds for its employees may trigger an order of correction from a competent authority requiring the employer to make up the full contribution of such overdue social insurance premium or housing provident funds within a specified period of time and to pay a late fee for the social insurance aspect, and the competent authority may further impose fines or penalties. As of the Latest Practicable Date, no administrative action or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order to settle the deficit amount. Moreover, as of the Latest Practicable Date, we were not aware of any complaint filed by our employees regarding our social insurance and housing provident fund policy. However, we cannot assure you that the competent authority will not require us to rectify any noncompliance by making contribution of overdue social insurance premium or housing provident funds or to pay any overdue fine or penalty related thereto. This in turn may adversely affect our financial condition and results of operations.

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During the Track Record Period, we engaged third-party human resources agencies to pay social insurance premium and housing provident funds for certain of our employees. We have such arrangements primarily because these employees worked outside of the cities where our operating entities are registered and third-party human resources agencies were engaged to pay social insurance premium and housing provident funds for these employees in cities where they worked. Pursuant to the agreements entered into between our Company or our relevant PRC subsidiaries and such third-party human resources agencies, such human resources agencies have the obligation to pay social insurance premium and housing provident funds for our relevant employees. As of the Latest Practicable Date, none of the third-party human resources agencies that we cooperate with had failed to pay or delayed in paying any social insurance premium and housing provident fund contributions for our employees, and none of us or our PRC subsidiaries had been subject to any administrative penalty or received labor arbitration notices from any of our or their employees in relation to such agency arrangements. However, if such human resources agencies fail to pay the social insurance premium or housing provident funds for and on behalf of our employees as required by applicable PRC laws and regulations in the future, we may be subject to additional contributions, late payment fees and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify. This in turn may adversely affect our financial condition and results of operations.

The PRC Labor Contract Law, any labor shortages, increased labor costs or other factors affecting our labor force in the PRC may materially and adversely affect our business, financial condition, results of operations and prospects.

We have been subject to stricter regulatory requirements in terms of entering into labor contracts with our employees and paying various statutory employee benefits, including pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law (中華人民共和國勞動合同法), or the Labor Contract Law, that became effective in January 2008 and was amended in December 2012 and its implementing rules that became effective in September 2008, employers are subject to stricter requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees’ probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. We believe that our current practice complies with the Labor Contract Law and its amendments. However, the relevant governmental authorities may take a different view and impose fines on us.

As the interpretation and implementation of labor-related laws and regulations are still evolving, our employment practice could inadvertently violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If

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we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

RISKS RELATING TO THE [REDACTED]

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

Prior to completion of the [REDACTED], there has been no [REDACTED] for our Shares. There can be no guarantee that an active [REDACTED] market 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] (for themselves and 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 [REDACTED] of our Shares may drop below the [REDACTED] at any time after completion of the [REDACTED]. Moreover, each of our Controlling Shareholders and certain other existing Shareholders are expected to enter into a [REDACTED], which will [REDACTED], subject to customary exceptions. As a result, the absence of any [REDACTED] of Shares by such persons during the [REDACTED] may cause, or at least contribute to, limited [REDACTED] in the market for our Shares. This could affect the prevailing [REDACTED] at which Shareholders are able to sell their Shares.

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

The [REDACTED] price 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, China, the United States and elsewhere in the world. In particular, the performance and fluctuation of the [REDACTED] of other companies with business operations located mainly in China that have [REDACTED] their securities in Hong Kong may affect the volatility of the price of, and [REDACTED] volumes for, our Shares. A number of PRC-based companies have [REDACTED] their securities, and some are in the process of preparing for [REDACTED] their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines after their [REDACTED]. The [REDACTED] performances of the securities of these companies at the time of, or after, their [REDACTED] may affect the overall [REDACTED] sentiment towards PRC-based companies [REDACTED] Hong Kong, and consequently may impact the [REDACTED] performance of our Shares. These broad market and industry factors may significantly affect the [REDACTED] and volatility of our Shares, regardless of our actual operating performance.

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You will experience immediate dilution and may experience further dilution in the future.

As the [REDACTED] of our Shares is higher than the combined net tangible assets per share immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] will experience an immediate dilution in [REDACTED] adjusted combined net tangible assets. Our existing Shareholders will receive an increase in the [REDACTED] adjusted combined net tangible asset value per share of their shares. In addition, holders of our Shares may experience further dilution of their interest if we issue additional shares in the future to raise additional capital.

We have a [REDACTED] employee incentive plan under which 311,780 Shares of the Company have been reserved to be issued to the trustee responsible for administering the employee incentive plan. See “History, Reorganization and Corporate Structure—Issue of Shares for Employee Incentive.” Any new share-based compensation that we may grant from time to time may result in an increase in our issued share capital, which in turn may result in a dilution of our shareholders’ shareholding interest in our Company and a reduction in earnings per Share.

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

The [REDACTED] of our Shares could decline as a result of future sales of a substantial number of our Shares or other securities relating to our Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales of a substantial number of our Shares, especially by our Directors, executive officers, Controlling Shareholders and [REDACTED] Investors, or the perception or anticipation of such sales, including any future [REDACTED], 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. In addition, our Shareholders may experience dilution of their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by our Shares in Hong Kong.

The Shares held by our Controlling Shareholders are subject to certain lock-up periods. While we are currently not aware of any intention of such persons to dispose of significant amounts of their Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any Shares they may own now or in the future.

Since there will be a gap of several days between [REDACTED] and [REDACTED] of our Shares, you are subject to the risk that the [REDACTED] of our Shares could fall during the period before [REDACTED] of our Shares begins.

The [REDACTED] of our Shares is expected to be determined on the [REDACTED]. However, our Shares will not commence [REDACTED] on the Stock Exchange until they are delivered, which is expected to be five business days after the [REDACTED]. As a result, [REDACTED] may not be able to sell or otherwise deal in the Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before [REDACTED] begins as a result of adverse market conditions or other adverse developments which could occur between the time of sale and the time [REDACTED] begins.

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

The [REDACTED] market for our Shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Shares, the price of our Shares would likely decline. If one or more of these analysts cease coverage of our Company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause our stock price or [REDACTED] volume to decline.

We may not be able to pay any dividends on our Shares.

We cannot guarantee when and in what form dividends will be paid on our Shares following the [REDACTED]. The declaration of dividends is proposed by the Board and is based on, and limited by, various factors, such as our business and financial performance, capital and regulatory requirements and general business and operation conditions. We may not have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable.

We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various independent third-party sources, including government publications and market data providers contained in this document.

This document, particularly the sections headed “Business” and “Industry Overview,” contains information and statistics relating to the e-commerce SaaS market in China and e-commerce ERP market in China. Such information and statistics have been derived from a third-party report commissioned by us and 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 Joint Sponsors, [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 included in this document 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. You should consider carefully the importance placed on such information or statistics.

RISK FACTORS

We are a Cayman Islands company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, your ability to protect your shareholder rights may be limited.

Our corporate affairs are governed by our Memorandum and Articles and by the Cayman Companies Act and 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 precedent 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 precedent in existence in the jurisdictions where minority Shareholders may be located. See the section headed “Appendix III—Summary of the Constitution of the Company and Cayman Islands Company Law” in this Document.

As a result of all of the above, minority Shareholders may have difficulties in protecting their interests under the laws of the Cayman Islands through actions against our management, Directors or our largest Shareholder, which may provide different remedies to minority Shareholders when compared to the laws of the jurisdiction in which such shareholders are located.

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].

There may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this document only and should not rely on any other information. You should rely solely upon the information contained in this document, the [REDACTED] and any formal announcements made by us in Hong Kong in making your [REDACTED] decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective [REDACTED] should not rely on any such

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information, reports or publications in making their decisions as to whether to [REDACTED] in our [REDACTED]. By applying to purchase our Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this document and the [REDACTED].

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